

ANNUAL FINANCIAL REPORT
WAYNE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2017

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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This financial report is available at www.comptroller.tn.gov

WAYNE COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Wayne County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Wayne County as of and for the year ended June 30, 2017.

Results

Our report on the business-type activities and the Public Utility Fund (major Enterprise Fund) is adverse. Our report on the governmental activities, aggregate discretely presented component units, each remaining major fund, and the aggregate remaining fund information is unmodified.

Our audit resulted in nine findings and recommendations, which we have reviewed with Wayne County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ Wayne County has a material recurring audit finding.
- ◆ The Public Utility Fund had operating deficiencies.
- ◆ Written agreements do not exist to document loans to the Wayne County Assisted Living Facility.

OFFICE OF COMMISSIONER OF HIGHWAYS

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ Expenditures exceeded appropriations.

OFFICE OF TRUSTEE

- ◆ Revenues were not prorated accurately.
-

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS
CLERK AND CLERK AND MASTER**

- ◆ Multiple employees operated from the same cash drawer.
-

OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Wayne County Officials
June 30, 2017

Officials

Jim Mangubat, County Executive
Charles Moser, Commissioner of Highways
Marlon Davis, Director of Schools
Janice Smith, Trustee
Dustin White, Assessor of Property
Stan Horton, County Clerk
Bill Crews, Circuit, General Sessions, and Juvenile Courts Clerk
Carolyn Mathis, Clerk and Master
Ruth Butler, Register of Deeds
Ric Wilson, Sheriff

Board of County Commissioners

Jim Mangubat, County Executive, Chairman	Herbert Brewer
O.C. Berry, Jr.	Brent Gobbell
Joe Hanback	Tom Mathis, Jr.
Stan Hanback	John McDonald
David Martin	Steve Anderson
Rickey Kelley	Phillip Casteel
Joe Hall	Tim Powell
Stephen Pevahouse	

Board of Education

Barry Hanback, Chairman	Charity Horton
Andy Yarbrough	Pat Brown
Dwight Bumphus	Sherman Martin
Greg Eaton	

Audit Committee

John McDonald, Chairman
Tim Powell
Regina Tesnow
Sarah Cook

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report

Wayne County Executive and
Board of County Commissioners
Wayne County, Tennessee

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-type Activities	Adverse
Aggregate Discretely Presented Component Units	Unmodified
General Fund	Unmodified
Solid Waste/Sanitation Fund	Unmodified
Highway/Public Works Fund	Unmodified
General Debt Service Fund	Unmodified
General Capital Projects Fund	Unmodified
Public Utility Fund	Adverse
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on the Business-type Activities and Public Utility Fund

Wayne County established the Public Utility Fund (a major Enterprise Fund) to account for the activities of the Wayne County Board of Public Utilities in August 2015. Wayne County allowed the City of Clifton, Tennessee, to maintain all accounting information related to one of the Public Utility’s four permitted water systems. Accounting records relating to the operation of this water system were not made available for audit and the results of such operations are not included in the financial statements of the Public Utility Fund. As a result of this omission, the financial statements of the Public Utility Fund are not presented in accordance with accounting principles generally accepted in the United States of America.

Adverse Opinion

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on the Business-type Activities and Public Utility Fund” paragraph, the financial statements referred to above do not present fairly the financial position of the business-type activities and the Public Utilities Fund (major Enterprise Fund) of Wayne County, Tennessee, as of June 30, 2017, or the changes in financial position, or the related changes in cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each remaining major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability (asset), and schedule of funding progress – other postemployment benefits plan on pages 96-103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wayne County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), and miscellaneous schedules are presented for the purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal*

Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

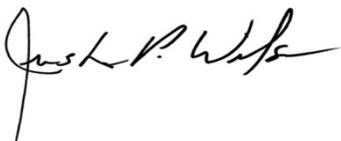
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2018, on our consideration of Wayne County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 27, 2018

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Wayne County, Tennessee
Statement of Net Position
 June 30, 2017

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Wayne County School Department
<u>ASSETS</u>				
Cash	\$ 100	\$ 0	\$ 100	\$ 555
Equity in Pooled Cash and Investments	5,717,990	338,556	6,056,546	2,295,840
Accounts Receivable	129,014	9,368	138,382	32,152
Due from Other Governments	1,017,070	209,720	1,226,790	470,697
Internal Balances	122,971	(122,971)	0	0
Due from Component Unit	356,767	0	356,767	0
Property Taxes Receivable	4,338,105	0	4,338,105	2,153,220
Allowance for Uncollectible Property Taxes	(132,352)	0	(132,352)	(65,694)
Net Pension Asset - Agent Plan	938,844	0	938,844	600,414
Net Pension Asset - Teacher Retirement Plan	0	0	0	14,471
Capital Assets:				
Assets Not Depreciated:				
Land	864,832	0	864,832	513,517
Construction in Progress	0	733,871	733,871	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	9,756,273	0	9,756,273	10,807,113
Infrastructure	12,944,747	4,748,280	17,693,027	0
Other Capital Assets	2,329,148	0	2,329,148	1,263,268
Total Assets	\$ 38,383,509	\$ 5,916,824	\$ 44,300,333	\$ 18,085,553
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 0	\$ 0	\$ 0	\$ 74,385
Pension Changes in Investment Earnings	449,935	0	449,935	2,226,430
Pension Changes in Proportionate Share of NPL	0	0	0	69,795
Pension Changes in Contributions after Measurement Date	227,236	0	227,236	1,087,704
Total Deferred Outflows of Resources	\$ 677,171	\$ 0	\$ 677,171	\$ 3,458,314
<u>LIABILITIES</u>				
Accounts Payable	\$ 490	\$ 0	\$ 490	\$ 0
Accrued Payroll	5,363	0	5,363	0
Payroll Deductions Payable	22,363	0	22,363	478,802
Due to State of Tennessee	6,169	17	6,186	885
Accrued Interest Payable	69,799	0	69,799	0
Customer Deposits Payable	0	8,850	8,850	0
Noncurrent Liabilities:				
Due Within One Year	2,168,377	25,275	2,193,652	72,400
Due in More Than One Year	22,115,847	1,413,861	23,529,708	5,965,954
Total Liabilities	\$ 24,388,408	\$ 1,448,003	\$ 25,836,411	\$ 6,518,041

(Continued)

Exhibit A

Wayne County, Tennessee
Statement of Net Position (Cont.)

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Wayne County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,043,483	\$ 0	\$ 4,043,483	\$ 2,006,984
Pension Changes in Experience	673,136	0	673,136	2,531,759
Pension Changes in the Proportionate Share of NPL	0	0	0	48,378
Total Deferred Inflows of Resources	<u>\$ 4,716,619</u>	<u>\$ 0</u>	<u>\$ 4,716,619</u>	<u>\$ 4,587,121</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 14,393,313	\$ 4,043,015	\$ 18,436,328	\$ 12,583,898
Restricted for:				
General Government	34,611	0	34,611	0
Administration of Justice	17,434	0	17,434	0
Public Safety	397,774	0	397,774	0
Social, Cultural, and Recreational Services	63,366	0	63,366	0
Highway/Public Works	1,340,068	0	1,340,068	0
Education	0	0	0	252,339
Pensions	938,844	0	938,844	614,885
Capital Outlay	87,761	0	87,761	182,313
Unrestricted	<u>(7,317,518)</u>	<u>425,806</u>	<u>(6,891,712)</u>	<u>(3,194,730)</u>
Total Net Position	<u>\$ 9,955,653</u>	<u>\$ 4,468,821</u>	<u>\$ 14,424,474</u>	<u>\$ 10,438,705</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Wayne County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit Wayne County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,250,599	\$ 150,980	\$ 406,094	\$ 0	\$ (693,525)	\$ 0	\$ (693,525)	\$ 0
Finance	455,717	417,983	0	0	(37,734)	0	(37,734)	0
Administration of Justice	757,390	395,722	9,000	0	(352,668)	0	(352,668)	0
Public Safety	3,125,159	958,204	28,083	0	(2,138,872)	0	(2,138,872)	0
Public Health and Welfare	1,374,706	69,569	160,260	0	(1,144,877)	0	(1,144,877)	0
Social, Cultural, and Recreational Services	435,798	6,985	0	0	(428,813)	0	(428,813)	0
Agriculture and Natural Resources	78,070	0	0	0	(78,070)	0	(78,070)	0
Highways/Public Works	2,821,956	3,630	2,039,352	1,346,245	567,271	0	567,271	0
Interest on Long-term Debt	843,587	0	0	0	(843,587)	0	(843,587)	0
Total Governmental Activities	\$ 11,142,982	\$ 2,003,073	\$ 2,642,789	\$ 1,346,245	\$ (5,150,875)	\$ 0	\$ (5,150,875)	\$ 0
Business-type Activities								
Public Utilities	\$ 395,531	\$ 110,538	\$ 0	\$ 381,831	\$ 0	\$ 96,838	\$ 0	\$ 0
Total Business-type Activities	\$ 395,531	\$ 110,538	\$ 0	\$ 381,831	\$ 0	\$ 96,838	\$ 0	\$ 0
Total Primary Government	\$ 11,538,513	\$ 2,113,611	\$ 2,642,789	\$ 1,728,076	\$ (5,150,875)	\$ 96,838	\$ (5,150,875)	\$ 0
Component Unit:								
Wayne County School Department	\$ 21,293,571	\$ 341,557	\$ 3,333,015	\$ 26,995	\$ 0	\$ 0	\$ 0	\$ (17,592,004)
Total Component Unit	\$ 21,293,571	\$ 341,557	\$ 3,333,015	\$ 26,995	\$ 0	\$ 0	\$ 0	\$ (17,592,004)

(Continued)

Exhibit B

Wayne County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Wayne County School Department
					Governmental Activities	Business-type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 3,089,120	\$ 0	\$ 3,089,120	\$ 2,008,831
Property Taxes Levied for Debt Service					999,251	0	999,251	0
Local Option Sales Tax					978,491	0	978,491	706,945
Wheel Tax					879,246	0	879,246	0
Litigation Tax					131,181	0	131,181	0
Business Tax					102,512	0	102,512	0
Mineral Severance Tax					64,558	0	64,558	0
Wholesale Beer Tax					128,084	0	128,084	0
Other Local Taxes					43,175	21,757	64,932	16,379
Grants and Contributions Not Restricted to Specific Programs					1,165,882	92,230	1,258,112	14,914,133
Unrestricted Investment Earnings					55,222	0	55,222	0
E-Rate Funding					0	0	0	128,539
Miscellaneous					109,322	0	109,322	94,789
Total General Revenues					\$ 7,746,044	\$ 113,987	\$ 7,860,031	\$ 17,869,616
Change in Net Position								
Net Position, July 1, 2016					\$ 2,595,169	\$ 210,825	\$ 2,805,994	\$ 277,612
					7,360,484	4,257,996	11,618,480	10,161,093
Net Position, June 30, 2017					\$ 9,955,653	\$ 4,468,821	\$ 14,424,474	\$ 10,438,705

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2017

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	1,077,146	545,610	376,357	1,486,907	1,475,421
Accounts Receivable	67,162	0	24,592	37,260	0
Due from Other Governments	240,885	0	541,185	235,000	0
Due from Other Funds	248,868	0	0	0	0
Due from Component Units	356,767	0	0	0	0
Property Taxes Receivable	2,248,215	886,620	0	1,108,275	94,995
Allowance for Uncollectible Property Taxes	(68,591)	(27,051)	0	(33,812)	(2,898)
Total Assets	\$ 4,170,552	\$ 1,405,179	\$ 942,134	\$ 2,833,630	\$ 1,567,518
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll	2,504	0	2,859	0	0
Payroll Deductions Payable	6,359	78	11,755	0	0
Due to Other Funds	0	0	125,897	0	0
Due to State of Tennessee	2,160	0	3,978	0	0
Total Liabilities	\$ 11,023	\$ 78	\$ 144,489	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,095,528	\$ 826,405	\$ 0	\$ 1,033,007	\$ 88,543
Deferred Delinquent Property Taxes	77,558	30,590	0	38,235	3,277
Other Deferred/Unavailable Revenue	63,330	0	188,605	85,000	0
Total Deferred Inflows of Resources	\$ 2,236,416	\$ 856,995	\$ 188,605	\$ 1,156,242	\$ 91,820

(Continued)

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 34,611	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Administration of Justice	17,434	0	0	0	0
Restricted for Public Safety	275,208	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	1,306,909
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0
Restricted for Highways/Public Works	0	0	609,040	0	0
Restricted for Capital Outlay	0	0	0	0	168,789
Committed:					
Committed for Public Health and Welfare	0	548,106	0	0	0
Committed for Debt Service	0	0	0	1,677,388	0
Assigned:					
Assigned for Public Safety	896	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	38,025	0	0	0	0
Unassigned	1,556,939	0	0	0	0
Total Fund Balances	<u>\$ 1,923,113</u>	<u>\$ 548,106</u>	<u>\$ 609,040</u>	<u>\$ 1,677,388</u>	<u>\$ 1,475,698</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,170,552</u>	<u>\$ 1,405,179</u>	<u>\$ 942,134</u>	<u>\$ 2,833,630</u>	<u>\$ 1,567,518</u>

(Continued)

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other Govern- mental Funds		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$	100
Equity in Pooled Cash and Investments	756,549		5,717,990
Accounts Receivable	0		129,014
Due from Other Governments	0		1,017,070
Due from Other Funds	0		248,868
Due from Component Units	0		356,767
Property Taxes Receivable	0		4,338,105
Allowance for Uncollectible Property Taxes	0		(132,352)
	<hr/>		<hr/>
Total Assets	\$ 756,549	\$	11,675,562
<u>LIABILITIES</u>			
Accounts Payable	\$ 490	\$	490
Accrued Payroll	0		5,363
Payroll Deductions Payable	4,171		22,363
Due to Other Funds	0		125,897
Due to State of Tennessee	31		6,169
	<hr/>		<hr/>
Total Liabilities	\$ 4,692	\$	160,282
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$	4,043,483
Deferred Delinquent Property Taxes	0		149,660
Other Deferred/Unavailable Revenue	0		336,935
	<hr/>		<hr/>
Total Deferred Inflows of Resources	\$ 0	\$	4,530,078

(Continued)

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

FUND BALANCES

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Governmental	Funds
	Funds	Funds	Funds
Restricted:			
Restricted for General Government	\$ 0	\$	34,611
Restricted for Administration of Justice	0		17,434
Restricted for Public Safety	122,566		397,774
Restricted for Public Health and Welfare	0		1,306,909
Restricted for Social, Cultural, and Recreational Services	63,366		63,366
Restricted for Highways/Public Works	565,925		1,174,965
Restricted for Capital Outlay	0		168,789
Committed:			
Committed for Public Health and Welfare	0		548,106
Committed for Debt Service	0		1,677,388
Assigned:			
Assigned for Public Safety	0		896
Assigned for Social, Cultural, and Recreational Services	0		38,025
Unassigned	0		1,556,939
Total Fund Balances	<u>\$ 751,857</u>	<u>\$</u>	<u>6,985,202</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 756,549</u>	<u>\$</u>	<u>11,675,562</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2017

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 6,985,202
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 864,832	
Add: buildings and improvements net of accumulated depreciation	9,756,273	
Add: infrastructure net of accumulated depreciation	12,944,747	
Add: other capital assets net of accumulated depreciation	<u>2,329,148</u>	25,895,000
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (23,115,000)	
Less: notes payable	(565,836)	
Less: compensated absences payable	(139,693)	
Less: accrued interest on bonds and notes	(69,799)	
Less: other deferred revenue - premium on debt	<u>(463,695)</u>	(24,354,023)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 677,171	
Less: deferred inflows of resources related to pensions	<u>(673,136)</u>	4,035
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		938,844
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>486,595</u>
Net position of governmental activities (Exhibit A)		<u>\$ 9,955,653</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 2,769,283	\$ 877,649	\$ 288,888	\$ 2,499,744	\$ 84,121
Licenses and Permits	5,992	0	0	0	0
Fines, Forfeitures, and Penalties	149,078	0	0	0	0
Charges for Current Services	70,001	0	0	0	0
Other Local Revenues	260,256	69,569	58,404	0	0
Fees Received From County Officials	716,657	0	0	0	0
State of Tennessee	1,954,369	4,334	3,461,975	0	0
Federal Government	73,850	0	34,285	0	0
Other Governments and Citizens Groups	14,333	0	0	200,000	0
Total Revenues	\$ 6,013,819	\$ 951,552	\$ 3,843,552	\$ 2,699,744	\$ 84,121
<u>Expenditures</u>					
Current:					
General Government	\$ 956,782	\$ 0	\$ 0	\$ 0	\$ 0
Finance	460,762	0	0	0	0
Administration of Justice	644,942	0	0	0	0
Public Safety	3,024,158	0	0	0	0
Public Health and Welfare	239,633	815,313	0	0	0
Social, Cultural, and Recreational Services	221,935	0	0	0	0
Agriculture and Natural Resources	80,710	0	0	0	0
Other Operations	410,467	0	0	0	0
Highways	46,872	0	3,935,807	0	0
Support Services	7,371	0	0	0	0
Debt Service:					
Principal on Debt	0	0	0	1,788,544	0
Interest on Debt	0	0	0	847,701	0

(Continued)

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 7,868,614	\$ 0
Capital Projects	0	0	0	0	325,520
Total Expenditures	\$ 6,093,632	\$ 815,313	\$ 3,935,807	\$ 10,504,859	\$ 325,520
<u>Excess (Deficiency) of Revenues Over Expenditures</u>					
	\$ (79,813)	\$ 136,239	\$ (92,255)	\$ (7,805,115)	\$ (241,399)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 7,405,000	\$ 0
Notes Issued	0	0	0	0	315,000
Premiums on Debt Sold	0	0	0	424,056	0
Insurance Recovery	94,309	0	77,707	0	0
Transfers In	0	0	0	51,606	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 94,309	\$ 0	\$ 77,707	\$ 7,880,662	\$ 315,000
<u>Net Change in Fund Balances</u>					
Fund Balance, July 1, 2016	\$ 1,908,617	\$ 411,867	\$ 623,588	\$ 1,601,841	\$ 1,402,097
Fund Balance, June 30, 2017	\$ 1,923,113	\$ 548,106	\$ 609,040	\$ 1,677,388	\$ 1,475,698

(Continued)

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 64,558	\$	6,584,243
Licenses and Permits	0		5,992
Fines, Forfeitures, and Penalties	15,786		164,864
Charges for Current Services	12,820		82,821
Other Local Revenues	0		388,229
Fees Received From County Officials	0		716,657
State of Tennessee	112,634		5,533,312
Federal Government	0		108,135
Other Governments and Citizens Groups	40,000		254,333
Total Revenues	<u>\$ 245,798</u>	<u>\$</u>	<u>13,838,586</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	956,782
Finance	0		460,762
Administration of Justice	12,820		657,762
Public Safety	5,158		3,029,316
Public Health and Welfare	0		1,054,946
Social, Cultural, and Recreational Services	0		221,935
Agriculture and Natural Resources	0		80,710
Other Operations	159,675		570,142
Highways	0		3,982,679
Support Services	0		7,371
Debt Service:			
Principal on Debt	0		1,788,544
Interest on Debt	0		847,701

(Continued)

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other Govern- mental Funds		
<hr/>			
<u>Expenditures (Cont.)</u>			
Debt Service (Cont.)			
Other Debt Service	\$ 0	\$	7,868,614
Capital Projects	300,026		625,546
Total Expenditures	<u>\$ 477,679</u>	<u>\$</u>	<u>22,152,810</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (231,881)</u>	<u>\$</u>	<u>(8,314,224)</u>
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 0	\$	7,405,000
Notes Issued	299,380		614,380
Premiums on Debt Sold	0		424,056
Insurance Recovery	0		172,016
Transfers In	0		51,606
Transfers Out	(51,606)		(51,606)
Total Other Financing Sources (Uses)	<u>\$ 247,774</u>	<u>\$</u>	<u>8,615,452</u>
Net Change in Fund Balances	\$ 15,893	\$	301,228
Fund Balance, July 1, 2016	<u>735,964</u>		<u>6,683,974</u>
Fund Balance, June 30, 2017	<u>\$ 751,857</u>	<u>\$</u>	<u>6,985,202</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 301,228
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,195,262	
Less: current-year depreciation expense	<u>(1,117,503)</u>	1,077,759
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(89,993)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2016	\$ (616,128)	
Add: deferred delinquent property taxes and other deferred June 30, 2017	<u>486,595</u>	(129,533)
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (7,405,000)	
Less: notes proceeds	(614,380)	
Less: change in premium on debt issuances	(394,958)	
Add: bonds refunded	7,710,000	
Add: principal payments on bonds	1,740,000	
Add: principal payments on notes	<u>48,544</u>	1,084,206
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 4,114	
Change in compensated absences payable	(42,107)	
Change in net pension asset - agent plan	(174,169)	
Change in deferred outflows of resources related to pensions	444,630	
Change in deferred inflows of resources related to pensions	<u>119,034</u>	351,502
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,595,169</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-5

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,769,283	\$ 0	\$ 0	\$ 2,769,283	\$ 2,566,206	\$ 2,711,522	\$ 57,761
Licenses and Permits	5,992	0	0	5,992	6,528	6,528	(536)
Fines, Forfeitures, and Penalties	149,078	0	0	149,078	143,152	143,152	5,926
Charges for Current Services	70,001	0	0	70,001	33,036	64,975	5,026
Other Local Revenues	260,256	0	0	260,256	149,900	249,752	10,504
Fees Received From County Officials	716,657	0	0	716,657	636,880	653,480	63,177
State of Tennessee	1,954,369	0	0	1,954,369	2,276,692	2,266,172	(311,803)
Federal Government	73,850	0	0	73,850	42,505	72,505	1,345
Other Governments and Citizens Groups	14,333	0	0	14,333	0	0	14,333
Total Revenues	\$ 6,013,819	\$ 0	\$ 0	\$ 6,013,819	\$ 5,854,899	\$ 6,168,086	\$ (154,267)
Expenditures							
General Government							
County Commission	\$ 83,039	\$ 0	\$ 1,000	\$ 84,039	\$ 94,247	\$ 92,570	\$ 8,531
County Mayor/Executive	180,896	0	0	180,896	165,301	183,457	2,561
Election Commission	131,288	0	0	131,288	129,685	135,956	4,668
Register of Deeds	118,537	0	228	118,765	123,865	123,864	5,099
County Buildings	395,826	(502)	21,797	417,121	364,959	494,531	77,410
Other General Administration	47,196	0	208	47,404	72,325	69,889	22,485
Finance							
Property Assessor's Office	153,393	0	0	153,393	147,171	153,393	0
Reappraisal Program	9,560	0	0	9,560	14,098	12,414	2,854
County Trustee's Office	147,797	0	0	147,797	145,284	148,866	1,069
County Clerk's Office	150,012	0	40	150,052	145,998	150,817	765
Administration of Justice							
Circuit Court	142,042	0	100	142,142	168,480	168,480	26,338
General Sessions Court	228,248	0	40	228,288	230,738	230,738	2,450
Drug Court	8,863	0	0	8,863	7,626	8,863	0
Chancery Court	124,180	0	40	124,220	130,406	130,406	6,186
Juvenile Court	58,146	0	0	58,146	66,571	66,571	8,425

(Continued)

Exhibit C-5

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Judicial Commissioners	\$ 61,457	\$ 0	\$ 0	\$ 61,457	\$ 61,154	\$ 61,652	195
Courtroom Security	22,006	0	0	22,006	27,155	27,155	5,149
<u>Public Safety</u>							
Sheriff's Department	1,215,262	(4,100)	5,373	1,216,535	997,323	1,240,681	24,146
Drug Enforcement	7	0	0	7	0	7	0
Jail	1,642,692	(5,567)	34,221	1,671,346	1,571,688	1,712,389	41,043
Rural Fire Protection	84,981	(600)	2,899	87,280	89,225	116,547	29,267
Civil Defense	0	0	0	0	18,155	18,155	18,155
Other Emergency Management	51,407	(135)	344	51,616	58,675	64,975	13,359
County Coroner/Medical Examiner	25,589	0	0	25,589	28,053	28,053	2,464
Public Safety Grants Program	3,237	0	0	3,237	0	3,237	0
Other Public Safety	983	0	0	983	1,500	1,500	517
<u>Public Health and Welfare</u>							
Local Health Center	49,617	0	160	49,777	48,075	59,473	9,696
Nursing Home	58,185	0	0	58,185	198,581	58,185	0
Alcohol and Drug Programs	2,500	0	0	2,500	2,500	2,500	0
Other Local Health Services	113,831	0	0	113,831	108,066	125,995	12,164
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Other Local Welfare Services	6,500	0	0	6,500	10,000	10,000	3,500
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	36,000	0	0	36,000	36,000	36,000	0
Libraries	168,310	0	4,335	172,645	158,040	172,676	31
Other Social, Cultural, and Recreational	17,625	0	0	17,625	18,750	18,750	1,125
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	42,522	0	0	42,522	59,576	59,575	17,053
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	36,188	0	0	36,188	45,939	45,939	9,751
<u>Other Operations</u>							
Tourism	3,494	0	0	3,494	0	3,494	0

(Continued)

Exhibit C-5

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Other Economic and Community Development	\$ 30,714	\$ 0	\$ 0	\$ 30,714	\$ 29,933	\$ 32,151	\$ 1,437
Veterans' Services	13,169	0	2,200	15,369	14,915	15,369	0
Other Charges	244,194	0	0	244,194	385,000	381,052	136,858
Contributions to Other Agencies	1,635	0	0	1,635	1,635	1,635	0
Employee Benefits	59,929	0	0	59,929	111,500	108,000	48,071
Miscellaneous	57,332	0	0	57,332	72,760	72,760	15,428
<u>Highways</u>							
Litter and Trash Collection	46,872	0	68	46,940	48,670	48,670	1,730
<u>Support Services</u>							
Other Programs	7,371	0	0	7,371	9,753	9,753	2,382
Total Expenditures	\$ 6,093,632	\$ (10,904)	\$ 73,053	\$ 6,155,781	\$ 6,230,375	\$ 6,718,143	\$ 562,362
Excess (Deficiency) of Revenues Over Expenditures	\$ (79,813)	\$ 10,904	\$ (73,053)	\$ (141,962)	\$ (375,476)	\$ (550,057)	\$ 408,095
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 94,309	\$ 0	\$ 0	\$ 94,309	\$ 20,000	\$ 93,765	\$ 544
Transfers In	0	0	0	0	208,581	0	0
Total Other Financing Sources	\$ 94,309	\$ 0	\$ 0	\$ 94,309	\$ 228,581	\$ 93,765	\$ 544
Net Change in Fund Balance	\$ 14,496	\$ 10,904	\$ (73,053)	\$ (47,653)	\$ (146,895)	\$ (456,292)	\$ 408,639
Fund Balance, July 1, 2016	1,908,617	(10,904)	0	1,897,713	1,325,741	1,325,741	571,972
Fund Balance, June 30, 2017	\$ 1,923,113	\$ 0	\$ (73,053)	\$ 1,850,060	\$ 1,178,846	\$ 869,449	\$ 980,611

The notes to the financial statements are an integral part of this statement.

Exhibit C-6

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 877,649	\$ 0	\$ 0	\$ 877,649	\$ 863,293	\$ 863,293	\$ 14,356
Other Local Revenues	69,569	0	0	69,569	30,000	30,000	39,569
State of Tennessee	4,334	0	0	4,334	0	0	4,334
Total Revenues	<u>\$ 951,552</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 951,552</u>	<u>\$ 893,293</u>	<u>\$ 893,293</u>	<u>\$ 58,259</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Other Waste Collection	\$ 72,230	\$ 0	\$ 0	\$ 72,230	\$ 80,016	\$ 80,016	\$ 7,786
Landfill Operation and Maintenance	2,102	0	0	2,102	11,500	11,500	9,398
Other Waste Disposal	740,981	(160)	106,498	847,319	911,602	911,599	64,280
Total Expenditures	<u>\$ 815,313</u>	<u>\$ (160)</u>	<u>\$ 106,498</u>	<u>\$ 921,651</u>	<u>\$ 1,003,118</u>	<u>\$ 1,003,115</u>	<u>\$ 81,464</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 136,239</u>	<u>\$ 160</u>	<u>\$ (106,498)</u>	<u>\$ 29,901</u>	<u>\$ (109,825)</u>	<u>\$ (109,822)</u>	<u>\$ 139,723</u>
Net Change in Fund Balance	\$ 136,239	\$ 160	\$ (106,498)	\$ 29,901	\$ (109,825)	\$ (109,822)	\$ 139,723
Fund Balance, July 1, 2016	<u>411,867</u>	<u>(160)</u>	<u>0</u>	<u>411,707</u>	<u>431,474</u>	<u>431,474</u>	<u>(19,767)</u>
Fund Balance, June 30, 2017	<u>\$ 548,106</u>	<u>\$ 0</u>	<u>\$ (106,498)</u>	<u>\$ 441,608</u>	<u>\$ 321,649</u>	<u>\$ 321,652</u>	<u>\$ 119,956</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-7

Wayne County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 288,888	\$ 0	\$ 288,888	\$ 225,000	\$ 225,000	\$ 63,888
Other Local Revenues	58,404	0	58,404	6,000	6,000	52,404
State of Tennessee	3,461,975	0	3,461,975	3,881,005	3,881,005	(419,030)
Federal Government	34,285	0	34,285	707,196	707,196	(672,911)
Other Governments and Citizens Groups	0	0	0	40,225	40,225	(40,225)
Total Revenues	\$ 3,843,552	\$ 0	\$ 3,843,552	\$ 4,859,426	\$ 4,859,426	\$ (1,015,874)
Expenditures						
Highways						
Administration	\$ 208,041	\$ (150)	\$ 207,891	\$ 219,173	\$ 220,169	\$ 12,278
Highway and Bridge Maintenance	1,946,768	(25,568)	1,921,200	2,083,040	2,098,905	177,705
Operation and Maintenance of Equipment	694,451	(28,456)	665,995	822,394	795,738	129,743
Other Charges	210,578	(2,267)	208,311	116,000	165,921	(42,390)
Employee Benefits	6,227	0	6,227	41,800	6,227	0
Capital Outlay	869,742	0	869,742	1,782,222	1,780,528	910,786
Total Expenditures	\$ 3,935,807	\$ (56,441)	\$ 3,879,366	\$ 5,064,629	\$ 5,067,488	\$ 1,188,122
Excess (Deficiency) of Revenues Over Expenditures	\$ (92,255)	\$ 56,441	\$ (35,814)	\$ (205,203)	\$ (208,062)	\$ 172,248
Other Financing Sources (Uses)						
Insurance Recovery	\$ 77,707	\$ 0	\$ 77,707	\$ 0	\$ 0	\$ 77,707
Total Other Financing Sources	\$ 77,707	\$ 0	\$ 77,707	\$ 0	\$ 0	\$ 77,707

(Continued)

Exhibit C-7

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (14,548)	\$ 56,441	\$ 41,893	\$ (205,203)	\$ (208,062)	\$ 249,955
Fund Balance, July 1, 2016	623,588	(56,441)	567,147	425,355	425,355	141,792
Fund Balance, June 30, 2017	\$ 609,040	\$ 0	\$ 609,040	\$ 220,152	\$ 217,293	\$ 391,747

The notes to the financial statements are an integral part of this statement.

Exhibit D-1

Wayne County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2017

	Business-type Activities
	Major Enterprise Fund
	Public Utility Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 338,556
Accounts Receivable	9,368
Due from Other Governments	209,720
Total Current Assets	<u>\$ 557,644</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Construction in Progress	\$ 733,871
Assets Net of Accumulated Depreciation:	
Infrastructure	4,748,280
Total Noncurrent Assets	<u>\$ 5,482,151</u>
Total Assets	<u>\$ 6,039,795</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Due to Other Funds	\$ 122,971
Customer Deposits	8,850
Due to State of Tennessee	17
Total Current Liabilities	<u>\$ 131,838</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 25,275
Due In More Than One Year	1,413,861
Total Noncurrent Liabilities	<u>\$ 1,439,136</u>
Total Liabilities	<u>\$ 1,570,974</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 4,043,015
Unrestricted	<u>425,806</u>
Total Net Position	<u>\$ 4,468,821</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-2

Wayne County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2017

	Business-type Activities
	Major Enterprise Fund
	Public Utility Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 110,538
Total Operating Revenues	<u>\$ 110,538</u>
<u>Operating Expenses</u>	
Other Economic and Community Development	\$ 140,866
Depreciation	210,252
Total Operating Expenses	<u>\$ 351,118</u>
Operating Income (Loss)	<u>\$ (240,580)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Local Taxes	\$ 21,757
Contribution and Gifts	17,230
State Revenue Sharing - TVA	75,000
Grants	381,831
Interest Expense	(44,413)
Total Nonoperating Revenues (Expenses)	<u>\$ 451,405</u>
Change in Net Position	\$ 210,825
Net Position, July 1, 2016	<u>4,257,996</u>
Net Position, June 30, 2017	<u><u>\$ 4,468,821</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-3

Wayne County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities
	Major Enterprise Fund
	Public Utility Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 109,565
Payments to Vendors	(134,681)
Payments to Employees	(2,752)
Payments for Fringe Benefits	(216)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (28,084)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition and Construction of Capital Assets	\$ (947,432)
Principal Paid on Bonds	(24,515)
Interest Paid on Bonds	(44,413)
Proceeds from Capital Grants	1,039,782
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ 23,422</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Contributions and Gifts	\$ 17,230
State Sharing Revenue - TVA	75,000
Hotel/Motel Tax	21,757
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 113,987</u>
Increase (Decrease) In Cash	\$ 109,325
Cash, July 1, 2016	<u>229,231</u>
Cash, June 30, 2017	<u><u>\$ 338,556</u></u>

(Continued)

Exhibit D-3

Wayne County, Tennessee
Statement of Cash Flows
Proprietary Funds (Cont.)

	Business-type Activities
	<u>Major</u>
	<u>Enterprise Fund</u>
	<u>Public Utility</u>
	<u>Fund</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (240,580)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	210,252
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(973)
(Increase) Decrease in Accounts Payable	17
Increase (Decrease) in Customer Deposits	3,200
Net Cash Provided By (Used In) Operating Activities	<u>\$ (28,084)</u>

The notes to the financial statements are an integral part of this statement.

Exhibit E

Wayne County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 209,035
Accounts Receivable	36
Cash Shortage	1,100
Due from Other Governments	<u>126,691</u>
Total Assets	<u>\$ 336,862</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 126,691
Due to Litigants, Heirs, and Others	<u>210,171</u>
Total Liabilities	<u>\$ 336,862</u>

The notes to the financial statements are an integral part of this statement.

WAYNE COUNTY, TENNESSEE
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WAYNE COUNTY, TENNESSEE
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WAYNE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wayne County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Wayne County:

A. Reporting Entity

Wayne County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Wayne County (the primary government) and its component units. Although required by GAAP, the financial statements of the Wayne County Assisted Living Facility and the Wayne County Emergency Communications District, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Wayne County School Department operates the public school system in the county, and the voters of Wayne County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Wayne County General Hospital Board of Trustees operates the Wayne County Assisted Living Facility. The board provides health care to the citizens of Wayne County, and the Wayne County Commission appoints the board. Patient charges provide the majority of revenues for the board. Before the issuance of debt instruments, the board must obtain the county commission's approval. The financial statements of the Wayne County Assisted Living Facility were not material to the component units' opinion unit and therefore have been omitted from this report.

The Wayne County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Wayne County, and the Wayne County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Wayne County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Wayne County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Wayne County Assisted Living Facility and the Wayne County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Wayne County Assisted Living Facility
210 Fairlane Drive
Waynesboro, TN 38485

Wayne County Emergency Communications District
911 Andrew Jackson Drive
P.O. Box 911
Waynesboro, TN 38485

Related Organization – The Wayne County Industrial Development Board is a related organization of Wayne County. The county commission appoints its board members, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Wayne County School Department component

unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Wayne County issues all debt for the discretely presented Wayne County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2017.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Wayne County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Wayne County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund

financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Wayne County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary funds and fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Wayne County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the solid waste transfer station. Local taxes are the foundational revenues of this fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – This fund accounts for various capital projects and capital outlay of the general government.

Wayne County reports the following major propriety fund:

Public Utility Fund – This fund accounts for water distribution services to areas of the county not served by existing municipal systems.

Additionally, Wayne County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Wayne County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Wayne County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Wayne County School Department reports the following fund types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The Education Capital Projects Fund accounts for the receipt of debt issued by Wayne County and contributed to the School Department for building construction and renovations.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally

dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for the operations of the Wayne County Rural Water Board. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Wayne County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Wayne County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements.

3. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	40

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of net pension liability, and pension changes in employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in the proportionate share of net pension liability, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are

deferred and recognized as an inflow of resources in the period that the amounts become available.

5. **Compensated Absences**

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation, sick leave, and compensatory time benefits. There is no liability for unpaid accumulated vacation and sick leave since Wayne County does not have a policy to pay any amounts when employees separate from service with the government. Payments are made for accumulated balances for compensatory time in excess of 240 hours. A liability for compensated absences is reported in governmental funds only if amounts have matured.

Discretely Presented Wayne County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation leave. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation (maximum of 20 days for support personnel) of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. **Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not

withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, special termination benefits, other postemployment benefits, and pension liabilities, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2017, Wayne County had \$11,048,600 in outstanding debt for capital purposes for the discretely presented Wayne County School Department. This debt is a liability of Wayne County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Wayne County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county’s highest level of decision-making authority and the Board of Education, the School Department’s highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county’s Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Wayne County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Wayne County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement

Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Wayne County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Wayne County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Wayne County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, Election Commission, Register of Deeds, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. Cash Shortage – Prior Year

The audit of Wayne County for the 2013-14 year reported a cash shortage of \$319,134.58 as of June 30, 2014, at the Wayne County School Department. This cash shortage resulted from unauthorized vendor and payroll disbursements and the fraudulent use of certain School Department credit cards. This report detailed shortages relating to the following four people: grants coordinator (\$67,676); General Purpose School (GPS) bookkeeper (\$213,524.25); School Federal Projects (SFP) bookkeeper (\$32,514.33); and a part-time bookkeeper (\$5,420). Charges were never brought against the

grants coordinator or part-time bookkeeper. On January 21, 2015, the GPS bookkeeper pled guilty in federal court, was sentenced to three years' probation, and ordered to pay restitution to the Tennessee Risk Management Trust. During the 2014-15 fiscal year, the School Department received insurance recovery of \$149,500; however, no restitution was received by the School Department during the 2015-16 fiscal year. On September 22, 2016, the SFP bookkeeper pled guilty, was sentenced to three years' probation, and paid court ordered restitution of \$17,195 to the Wayne County Board of Education. Recovery of the remaining shortage (\$152,439.58) is not anticipated; therefore, officials have decided to write off the balance.

C. Cash Shortage – Current Year

On October 3, 2016, a special investigation of the Office of Sheriff was released, which revealed a cash shortage of \$7,723. The results of that investigation are published under a separate cover and are available at <http://comptroller.tn.gov>. On November 28, 2016, the office received insurance recovery of \$6,623, leaving an outstanding cash shortage of \$1,100 at June 30, 2017. This cash shortage is reflected in the statements of the Constitutional Officers/Agency Fund.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Other Charges major appropriations category (the legal level of control) of the Highway/Public Works Fund by \$42,390. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

E. Indictment

On October 6, 2017, the commissioner of highways was indicted by the Wayne County Grand Jury on three separate counts: (1) private use of equipment and materials prohibited; (2) theft by the chief administrator officer over \$10,000; and (3) permitting jail inmates to work for the benefit or gain of a private citizen. The court date has been scheduled for March 21, 2018.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Wayne County and the Wayne County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets

or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2017, Wayne County had the following investments carried at amortized cost using a Stable Net Asset

Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Amortized Cost
State Treasurer's Investment Pool	3 to 80	\$ 238,362

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Wayne County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Wayne County has no investment policy that would further limit its investment choices. As of June 30, 2017, Wayne County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 765,569	\$ 100,000	\$ (737)	\$ 864,832
Total Capital Assets Not Depreciated	<u>\$ 765,569</u>	<u>\$ 100,000</u>	<u>\$ (737)</u>	<u>\$ 864,832</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,398,070	\$ 0	\$ 0	\$ 15,398,070
Infrastructure	14,208,391	1,547,683	0	15,756,074
Other Capital Assets	5,116,416	547,579	(269,966)	5,394,029
Total Capital Assets Depreciated	<u>\$ 34,722,877</u>	<u>\$ 2,095,262</u>	<u>\$ (269,966)</u>	<u>\$ 36,548,173</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 5,248,058	\$ 393,739	\$ 0	\$ 5,641,797
Infrastructure	2,410,932	400,395	0	2,811,327
Other Capital Assets	2,922,222	323,369	(180,710)	3,064,881
Total Accumulated Depreciation	<u>\$ 10,581,212</u>	<u>\$ 1,117,503</u>	<u>\$ (180,710)</u>	<u>\$ 11,518,005</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,141,665</u>	<u>\$ 977,759</u>	<u>\$ (89,256)</u>	<u>\$ 25,030,168</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,907,234</u>	<u>\$ 1,077,759</u>	<u>\$ (89,993)</u>	<u>\$ 25,895,000</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$	16,620
Finance		580
Administration of Justice		85,852
Public Safety		297,118
Public Health and Welfare		109,968
Social, Cultural, and Recreational Services		3,350
Agriculture and Natural Resources		298
Highway/Public Works		<u>603,717</u>
 Total Depreciation Expense - Governmental Activities		 <u><u>\$ 1,117,503</u></u>

Business-type Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Construction in Progress	\$ 807,056	\$ 399,335	\$ (472,520)	\$ 733,871
Total Capital Assets Not Depreciated	<u>\$ 807,056</u>	<u>\$ 399,335</u>	<u>\$ (472,520)</u>	<u>\$ 733,871</u>
Capital Assets Depreciated:				
Infrastructure	\$ 5,195,577	\$ 472,520	\$ 0	\$ 5,668,097
Total Capital Assets Depreciated	<u>\$ 5,195,577</u>	<u>\$ 472,520</u>	<u>\$ 0</u>	<u>\$ 5,668,097</u>
Less Accumulated Depreciation for:				
Buildings and Infrastructure	\$ 709,565	\$ 210,252	\$ 0	\$ 919,817
Total Accumulated Depreciation	<u>\$ 709,565</u>	<u>\$ 210,252</u>	<u>\$ 0</u>	<u>\$ 919,817</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,486,012</u>	<u>\$ 262,268</u>	<u>\$ 0</u>	<u>\$ 4,748,280</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,293,068</u>	<u>\$ 661,603</u>	<u>\$ (472,520)</u>	<u>\$ 5,482,151</u>

Depreciation expense totaled \$210,252 during the year ended June 30, 2017.

**Discretely Presented Wayne County School Department -
Governmental Activities:**

	Balance 7-1-16	Increases	Balance 6-30-17
Capital Assets Not Depreciated:			
Land	\$ 495,517	\$ 18,000	\$ 513,517
Total Capital Assets Not Depreciated	<u>\$ 495,517</u>	<u>\$ 18,000</u>	<u>\$ 513,517</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 27,064,377	\$ 320,785	\$ 27,385,162
Other Capital Assets	3,656,970	330,188	3,987,158
Total Capital Assets Depreciated	<u>\$ 30,721,347</u>	<u>\$ 650,973</u>	<u>\$ 31,372,320</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 15,899,231	\$ 678,818	\$ 16,578,049
Other Capital Assets	2,513,180	210,710	2,723,890
Total Accumulated Depreciation	<u>\$ 18,412,411</u>	<u>\$ 889,528</u>	<u>\$ 19,301,939</u>
Total Capital Assets Depreciated, Net	<u>\$ 12,308,936</u>	<u>\$ (238,555)</u>	<u>\$ 12,070,381</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,804,453</u>	<u>\$ (220,555)</u>	<u>\$ 12,583,898</u>

There were no decreases in capital assets to report during the year ended June 30, 2017.

Depreciation expense was charged to functions of the discretely presented Wayne County School Department as follows:

Governmental Activities:

Instruction	\$ 8,261
Support Services	846,471
Operation of Non-instructional Services	<u>34,796</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 889,528</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Highway/Public Works	\$ 125,897
Primary Government: General	Enterprise Fund: Public Utility	122,971

These balances resulted from the time lag between the dates that reimbursable expenditures occurred and payments between funds were made.

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Component Unit: Wayne County Assisted Living Facility	\$ 356,767

Interfund Transfers:

Interfund transfers for the year ended June 30, 2017, consisted of the following amount:

Primary Government

Transfer Out	<div style="text-align: center;"> <u>Transfer In</u> General Debt Service Fund </div>	Purpose
Nonmajor governmental fund	\$ 51,606	To retire debt

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Wayne County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding were issued for original terms of up to 25 years for bonds and up to three years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2017, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Amount of Issue	Balance 6-30-17
General Obligation Bonds	2.5 to 4.13	%	12-1-34	\$ 10,500,000	\$ 8,990,000
General Obligation Bonds - Refunding	2.5 to 3.72		12-1-30	16,900,000	14,125,000
Capital Outlay Notes	2.17 to 2.20		3-1-20	614,380	565,836

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2017, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 1,825,000	\$ 522,278	\$ 2,347,278
2019	1,880,000	478,087	2,358,087
2020	1,945,000	432,413	2,377,413
2021	2,020,000	384,888	2,404,888
2022	2,095,000	335,332	2,430,332
2023-2027	7,415,000	1,044,588	8,459,588
2028-2032	4,770,000	502,641	5,272,641
2033-2035	1,165,000	77,984	1,242,984
Total	<u>\$ 23,115,000</u>	<u>\$ 3,778,211</u>	<u>\$ 26,893,211</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 203,684	\$ 10,814	\$ 214,498
2019	205,877	6,892	212,769
2020	156,275	2,609	158,884
Total	<u>\$ 565,836</u>	<u>\$ 20,315</u>	<u>\$ 586,151</u>

There is \$1,677,388 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,358, based on the 2010 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$1,419, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Bonds	Notes	Compensated Absences
Balance, July 1, 2016	\$ 25,160,000	\$ 0	\$ 97,586
Additions	7,405,000	614,380	275,110
Reductions	(9,450,000)	(48,544)	(233,003)
Balance, June 30, 2017	<u>\$ 23,115,000</u>	<u>\$ 565,836</u>	<u>\$ 139,693</u>
Balance Due Within One Year	<u>\$ 1,825,000</u>	<u>\$ 203,684</u>	<u>\$ 139,693</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 23,820,529
Less: Due Within One Year	(2,168,377)
Add: Unamortized Premium on Debt	<u>463,695</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 22,115,847</u>

Compensated absences will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds.

Current Refunding

On October 20, 2017, Wayne County refunded both a general obligation bond issue and a school refunding bond issue. The county issued \$7,405,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the refunding, total debt service payments over the next fourteen years will be reduced by \$1,346,371, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,198,294 was obtained.

Wayne County Public Utility Fund (enterprise fund)

Revenue Bonds

Revenue bonds outstanding were issued for original terms up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2017, will be retired from the Public Utility Fund.

Revenue bonds outstanding as of June 30, 2017, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
Water Revenue and Tax Bonds	2.75 to 4.25 %	3-12-52	\$ 1,539,000	\$ 1,439,136

The annual requirements to amortize all revenue bonds outstanding as of June 30, 2017, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 25,275	\$ 43,653	\$ 68,928
2019	26,060	42,868	68,928
2020	26,871	42,057	68,928
2021	27,707	41,221	68,928
2022	28,572	40,356	68,928
2023-2027	156,835	187,805	344,640
2028-2032	183,079	161,561	344,640
2033-2037	213,932	130,708	344,640
2038-2042	250,247	94,393	344,640
2043-2047	275,074	51,914	326,988
2048-2052	225,484	15,122	240,606
Total	\$ 1,439,136	\$ 851,658	\$ 2,290,794

Changes in Long-term Obligations

Long-term obligations activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2017, was as follows:

Business-type Activities:

	<u>Bonds</u>
Balance, July 1, 2016	\$ 1,463,651
Additions	0
Reductions	<u>(24,515)</u>
Balance, June 30, 2017	<u>\$ 1,439,136</u>
Balance Due Within One Year	<u>\$ 25,275</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 1,439,136
Less: Due Within One Year	<u>(25,275)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,413,861</u>

Discretely Presented Wayne County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Wayne County School Department for the year ended June 30, 2017, was as follows:

Governmental Activities:

	<u>Termination Benefits</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2016	\$ 308,024	\$ 3,804,761
Additions	2,857	482,427
Reductions	<u>(104,846)</u>	<u>(189,121)</u>
Balance, June 30, 2017	<u>\$ 206,035</u>	<u>\$ 4,098,067</u>
Balance Due Within One Year	<u>\$ 72,400</u>	<u>\$ 0</u>

	Net Pension Liability - Teacher Legacy Pension Plan
Balance, July 1, 2016	\$ 109,965
Additions	2,319,721
Reductions	<u>(695,434)</u>
Balance, June 30, 2017	<u>\$ 1,734,252</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 6,038,354
Less: Due Within One Year	<u>(72,400)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,965,954</u>

Termination, other postemployment benefits, and net pension liability will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

E. On-Behalf Payments – Discretely Presented Wayne County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Wayne County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2017, were \$59,120 and \$31,900, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

It is the policy of the county to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, and employee health and accident. Settled

claims have not exceeded this commercial coverage during this fiscal year. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program.

Discretely Presented Wayne County School Department

The discretely presented Wayne County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Wayne County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax

abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Changes in Administration

On August 12, 2016, Coy Anderson left the Office of County Executive and was succeeded by Jim Mangubat.

On August 31, 2016, Billy Vencion left the Office of Assessor of Property and was succeeded by Dustin White.

E. Joint Ventures

The Joint Economic and Community Development Board is a joint venture between Wayne County and the cities of Clifton, Collinwood, and Waynesboro. The board comprises 11 members as follows: Wayne County executive; mayors of the cities of Waynesboro, Clifton, and Collinwood; and seven appointed members from the private sector. The purpose of the board is

to expand and diversify the economy of the cities and county. The cities and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Wayne County made no contributions to the operations of the Joint Economic and Community Development Board during the year ended June 30, 2017.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Wayne County did not contribute any funds to the DTF for the year ended June 30, 2017.

Wayne County does not have an equity interest in the above-noted joint venture. Complete financial statements for the Joint Economic and Community Development Board and the Twenty-second Judicial District DTF can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Joint Economic and Community Development Board
Wayne County Executive
P.O. Box 848
Waynesboro, TN 38485

Office of District Attorney General
Twenty-second Judicial District Drug Task Force
P.O. Box 852
Lawrenceburg, TN 38464

F. Jointly Governed Organization

The South Central Tennessee Railroad Authority (SCTRA) was created by Wayne County in conjunction with Hickman, Lewis, and Perry counties and the cities of Centerville, Linden, Hohenwald, and Waynesboro. The SCTRA's board comprises 16 members, who are the elected county executive or city mayor and an appointed member of the county commission or city council from each of the respective counties or cities. Wayne County did not appropriate any funds for this operation during the year, and the county does not have any ongoing financial interest or responsibility for the entity. Funding sources for the SCTRA are lease payments, switching fees, interest earned, and grants.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Assisted Living are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 59.81 percent, the non-certified employees of the discretely presented School Department comprised 38.25 percent, and employees of the discretely presented Wayne County Assisted Living comprised 1.94 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and

applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	191
Inactive Employees Entitled to But Not Yet Receiving Benefits	449
Active Employees	282
 Total	 <u><u>922</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Wayne County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, the employer contribution for Wayne County was \$377,338 based on a rate of 6.05 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Wayne County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Wayne County's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.50%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market		
International Equity	6.26	17
Emerging Market		
International Equity	6.40	5
Private Equity and		
Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Wayne County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 21,021,246	\$ 22,886,840	\$ (1,865,594)
Changes for the year:			
Service Cost	\$ 535,471	\$ 0	\$ 535,471
Interest	1,571,018	0	1,571,018
Differences Between Expected and Actual Experience	(534,271)	0	(534,271)
Contributions-Employer	0	388,590	(388,590)
Contributions-Employees	0	296,016	(296,016)
Net Investment Income	0	600,070	(600,070)
Benefit Payments, Including Refunds of Employee Contributions	(1,219,608)	(1,219,608)	0
Administrative Expense	0	(21,298)	21,298
Other Changes	0	12,957	(12,957)
Net Changes	\$ 352,610	\$ 56,727	\$ 295,883
Balance, June 30, 2016	\$ 21,373,856	\$ 22,943,567	\$ (1,569,711)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	59.81%	\$ 12,783,703	\$ 13,722,547	\$ (938,844)
Assisted Living	1.94%	414,653	445,105	(30,453)
School Department	38.25%	8,175,500	8,775,914	(600,414)
Total		\$ 21,373,856	\$ 22,943,567	\$ (1,569,711)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Wayne County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was

calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Wayne County</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>

Net Pension Liability \$ 897,764 \$ (1,569,711) \$ (3,628,282)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2017, Wayne County recognized pension expense of \$270,152.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, Wayne County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,125,457
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	752,274	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	<u>377,338</u>	<u>N/A</u>
Total	<u>\$ 1,129,612</u>	<u>\$ 1,125,457</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 677,171	\$ 673,136
Assisted Living	23,436	21,834
School Department	429,005	430,487
Total	<u>\$ 1,129,612</u>	<u>\$ 1,125,457</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (392,828)
2019	(392,828)
2020	300,114
2021	112,360
2022	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Wayne County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Assisted Living are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 59.81 percent, the non-certified employees of the discretely presented School

Department comprised 38.25 percent, and employees of the Wayne County Assisted Living comprised 1.94 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Wayne County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less

than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$33,089, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2017, the Wayne County School Department reported an asset of \$14,471 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Wayne County School Department's proportion of the net pension asset was based on the Wayne County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Wayne County School Department's proportion was .139005 percent. The revised proportion measured at June 30, 2015, was .178217 percent.

Pension Expense. For the year ended June 30, 2017, the Wayne County School Department recognized pension expense of \$12,207.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Wayne County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,402	\$ 1,668
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,369	0
Changes in proportion of Net Pension Liability (Asset)	1,100	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	33,089	N/A
Total	<u>\$ 37,960</u>	<u>\$ 1,668</u>

The Wayne County School Department's employer contributions of \$33,089, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 677
2019	677
2020	677
2021	564
2022	57
Thereafter	549

Actuarial Assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market		
International Equity	6.26	17
Emerging Market		
International Equity	6.40	5
Private Equity and		
Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Wayne County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Wayne County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 6,833 \$ (14,471) \$ (30,168)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Wayne County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to

an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Wayne County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$913,355, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2017, the Wayne County School Department reported a liability of \$1,734,252 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Wayne County School Department's proportion of the net pension liability was based on the Wayne County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Wayne County School Department's proportion was .277505 percent. The proportion measured at June 30, 2015, was .268448 percent.

Pension Expense. For the year ended June 30, 2017, the Wayne County School Department recognized pension expense of \$206,025.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Wayne County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 72,983	\$ 2,099,604
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,936,316	0
Changes in Proportion of Net Pension Liability (Asset)	68,695	48,378
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>913,355</u>	<u>N/A</u>
Total	<u>\$ 2,991,349</u>	<u>\$ 2,147,982</u>

The Wayne County School Department's employer contributions of \$913,355 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (322,862)
2019	(322,862)
2020	605,987
2021	92,831
2022	(123,082)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market		
International Equity	6.26	17
Emerging Market		
International Equity	6.40	5
Private Equity and		
Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Wayne County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Wayne County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
--	---------------------	-------------------------------	---------------------

Net Pension Liability \$ 9,523,075 \$ 1,734,252 \$ (4,717,658)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Primary Government

Wayne County offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

Discretely Presented Wayne County School Department

The Wayne County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the discretely presented Wayne County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Wayne County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Wayne County School Department contributed \$31,338 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

H. Other Postemployment Benefits (OPEB)

Discretely Presented Wayne County School Department

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for health care benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for employees of local education agencies. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://www.tn.gov/finance/fa/fa-accounting-financial/fa-accfin-cafr>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2017, the discretely presented Wayne County School Department contributed \$189,121 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 483,000
Interest on the NOPEBO	142,679
Adjustment to the ARC	(143,252)
Annual OPEB cost	<hr/> \$ 482,427
Amount of contribution	(189,121)
Increase/decrease in NOPEBO	<hr/> \$ 293,306
Net OPEB obligation, 7-1-16	<hr/> 3,804,761
Net OPEB obligation, 6-30-17	<hr/> <hr/> \$ 4,098,067

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 492,249	31 %	\$ 3,492,702
6-30-16	"	466,474	33	3,804,761
6-30-17	"	482,427	39	4,098,067

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 4,767,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,767,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 13,450,000
UAAL as a % of covered payroll	35%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements,

presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2015, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

I. Termination Benefits

The discretely presented Wayne County School Department offers a voluntary termination benefit for employees who retire with 30 years of experience in the Wayne County School System or have reached 60 years of age and are eligible for full retirement with the Tennessee Consolidated Retirement System. The employees must also have accumulated sick leave and not be retired from another school system. This incentive consists of a cash payment equivalent to 50 percent of the regular daily salary for each day of accumulated sick leave at the retirement date, to be paid out at \$6,000 per year. Currently, 16 school employees have accepted the board's offer. The estimated cost of the cash payment reported in the government-wide Statement of Net Position is \$206,035. The estimated cost did not include a discounted rate because the School Department felt its effects were immaterial. The effects to the School Department's actuarial accrued liability for pension benefits for current, terminated, and retired employees could not be determined.

J. Pollution Remediation

Approximately 40 years ago, Wayne County Highway Department purchased salvaged steel from a Giles County scrap vendor for the construction of approximately 60 county bridges.

In 2009, mercury was discovered in Beech Creek, and it was determined that the source of the mercury was one of the bridges constructed from the salvaged steel. The ensuing investigation traced the source of the steel to Occidental Chemical Company in Muscle Shoals, Alabama. The steel beams were originally used as troughs in a chemical process to manufacture sodium hydroxide. The steel was coated in a layer of mercury, which was then coated in granite. When the steel was scrapped, the granite and mercury layers were not removed. When Wayne County constructed bridges from the steel, the granite and mercury layers, which were mistaken for concrete, were left on the steel and installed facing downward. Over time, the mercury has leached out of the mixture and dripped into the waterway.

Occidental Chemical Company is owned by Glen Springs Holding Company. Glen Springs has agreed to take all responsibility for the cleanup operation. All of the approximately 60 bridges that have been identified as constructed with the salvaged steel will be removed and replaced with new bridges. The steel will be transported to a landfill in Texas designed to accept this type of hazardous material. Glen Springs will bear the full cost of removal, cleanup, disposal, and replacement of the bridges. Additionally, they have agreed to bear the cost of dredging the creek beds if that process is determined to be necessary. This agreement between Glen Springs and Wayne County is documented by a Memorandum of Understanding, a copy of which is available in the Wayne County Executive's Office.

Based on the limited information available at June 30, 2017, future remediation costs could not be reasonably determined.

K. Purchasing Laws

Office of County Executive

Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Commissioner of Highways

Purchasing procedures for the Highway Department are governed by Chapter 66, Private Acts of 2008, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*,

which provides for the Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Wayne County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 765,019	\$ 658,463	\$ 535,471
Interest	1,599,409	1,535,111	1,571,018
Differences Between Actual and Expected Experience	(1,644,371)	(67,153)	(534,271)
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)	(1,829,720)	(1,219,608)
Net Change in Total Pension Liability	\$ (391,856)	\$ 296,701	\$ 352,610
Total Pension Liability, Beginning	21,116,401	20,724,545	21,021,246
Total Pension Liability, Ending (a)	\$ 20,724,545	\$ 21,021,246	\$ 21,373,856
Plan Fiduciary Net Position			
Contributions - Employer	\$ 575,164	\$ 386,342	\$ 388,590
Contributions - Employee	452,687	294,312	296,016
Net Investment Income	3,325,792	701,603	600,070
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)	(1,829,720)	(1,219,608)
Administrative Expense	(15,136)	(14,578)	(21,298)
Other	0	0	12,957
Net Change in Plan Fiduciary Net Position	\$ 3,226,594	\$ (462,041)	\$ 56,727
Plan Fiduciary Net Position, Beginning	20,122,287	23,348,881	22,886,840
Plan Fiduciary Net Position, Ending (b)	\$ 23,348,881	\$ 22,886,840	\$ 22,943,567
Net Pension Liability (Asset), Ending (a - b)	\$ (2,624,336)	\$ (1,865,594)	\$ (1,569,711)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.66%	108.87%	107.34%
Covered Payroll	\$ 9,043,479	\$ 5,889,360	\$ 5,922,393
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(29.02)%	(31.68)%	(26.50)%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, non-certified employees of the discretely presented School Department, and the discretely presented Wayne County Assisted Living Facility.

Exhibit F-2

Wayne County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 575,164	\$ 386,342	\$ 388,590	\$ 377,338
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(575,164)</u>	<u>(386,342)</u>	<u>(388,590)</u>	<u>(377,338)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 9,043,479	\$ 5,889,360	\$ 5,922,393	\$ 6,236,986
Contributions as a Percentage of Covered Payroll	6.36%	6.56%	6.56%	6.05%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, non-certified employees of the discretely presented School Department, and the discretely presented Wayne County Assisted Living Facility.

Exhibit F-3

Wayne County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Pension Plan of TCRS
Discretely Presented Wayne County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 15,124	\$ 24,465	\$ 33,089
Less Contributions in Relation to the Contractually Required Contribution	<u>(15,124)</u>	<u>(24,465)</u>	<u>(33,089)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 378,090	\$ 611,628	\$ 827,225
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%

Note: ten years of data will be presented when available.

Exhibit F-4

Wayne County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Wayne County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Contractually Required Contribution	\$ 946,200	\$ 908,461	\$ 905,570	\$ 913,355
Less Contributions in Relation to the Contractually Required Contribution	(946,200)	(908,461)	(905,570)	(913,355)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,655,401	\$ 10,049,387	\$ 10,017,358	\$ 10,103,485
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

Note: ten years of data will be presented when available.

Exhibit F-5

Wayne County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Pension Plan of TCRS
Discretely Presented Wayne County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.178217%	0.139005%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (7,321)	\$ (14,471)
Covered Payroll	\$ 378,090	\$ 611,628
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-6

Wayne County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Wayne County School Department
For the Fiscal Year Ended June 30 *

	<u>2015</u>	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.271476%	0.268448%	0.277505%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (44,114) \$	109,965 \$	1,734,252
Covered Payroll	\$ 10,655,401 \$	10,049,387 \$	10,017,358
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-7

Wayne County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Wayne County School Department
June 30, 2017

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-11	\$ 0	\$ 6,186	\$ 6,186	0 %	\$ 13,450	46 %
"	7-1-13	0	4,621	4,621	0	13,030	35
"	7-1-15	0	4,767	4,767	0	13,450	35

WAYNE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation,
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.5%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues generated by the Tennessee River Resort Act and expended for tourism.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues provided for community development and industrial park projects.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for capital expenditures of the Highway Department.

Exhibit G-1

Wayne County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	<u>Special Revenue Funds</u>			<u>Capital</u>
	<u>Drug</u>	<u>Other</u>		<u>Projects</u>
	<u>Control</u>	<u>Special</u>	<u>Total</u>	<u>Funds</u>
		<u>Revenue</u>		<u>Community</u>
				<u>Development/</u>
				<u>Industrial</u>
				<u>Park</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 122,566	\$ 67,568	\$ 190,134	\$ 490
Total Assets	\$ 122,566	\$ 67,568	\$ 190,134	\$ 490
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 490
Payroll Deductions Payable	0	4,171	4,171	0
Due to State of Tennessee	0	31	31	0
Total Liabilities	\$ 0	\$ 4,202	\$ 4,202	\$ 490
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 122,566	\$ 0	\$ 122,566	\$ 0
Restricted for Social, Cultural, and Recreational Services	0	63,366	63,366	0
Restricted for Highways/Public Works	0	0	0	0
Total Fund Balances	\$ 122,566	\$ 63,366	\$ 185,932	\$ 0
Total Liabilities and Fund Balances	\$ 122,566	\$ 67,568	\$ 190,134	\$ 490

(Continued)

Exhibit G-1

Wayne County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 565,925	\$ 566,415	\$ 756,549
Total Assets	<u>\$ 565,925</u>	<u>\$ 566,415</u>	<u>\$ 756,549</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 490	\$ 490
Payroll Deductions Payable	0	0	4,171
Due to State of Tennessee	0	0	31
Total Liabilities	<u>\$ 0</u>	<u>\$ 490</u>	<u>\$ 4,692</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 122,566
Restricted for Social, Cultural, and Recreational Services	0	0	63,366
Restricted for Highways/Public Works	565,925	565,925	565,925
Total Fund Balances	<u>\$ 565,925</u>	<u>\$ 565,925</u>	<u>\$ 751,857</u>
Total Liabilities and Fund Balances	<u>\$ 565,925</u>	<u>\$ 566,415</u>	<u>\$ 756,549</u>

Exhibit G-2

Wayne County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds				Capital Projects Funds
	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	Community Development/ Industrial Park
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	15,786	0	0	15,786	0
Charges for Current Services	0	0	12,820	12,820	0
State of Tennessee	0	112,634	0	112,634	0
Other Governments and Citizens Groups	0	40,000	0	40,000	0
Total Revenues	\$ 15,786	\$ 152,634	\$ 12,820	\$ 181,240	\$ 0
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 12,820	\$ 12,820	\$ 0
Public Safety	5,158	0	0	5,158	0
Other Operations	0	159,185	0	159,185	490
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 5,158	\$ 159,185	\$ 12,820	\$ 177,163	\$ 490
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,628	\$ (6,551)	\$ 0	\$ 4,077	\$ (490)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit G-2

Wayne County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Capital Projects Funds
	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	Community Development/ Industrial Park
Net Change in Fund Balances	\$ 10,628	\$ (6,551)	\$ 0	\$ 4,077	\$ (490)
Fund Balance, July 1, 2016	111,938	69,917	0	181,855	490
Fund Balance, June 30, 2017	\$ 122,566	\$ 63,366	\$ 0	\$ 185,932	\$ 0

(Continued)

Exhibit G-2

Wayne County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 64,558	\$ 64,558	\$ 64,558
Fines, Forfeitures, and Penalties	0	0	15,786
Charges for Current Services	0	0	12,820
State of Tennessee	0	0	112,634
Other Governments and Citizens Groups	0	0	40,000
Total Revenues	<u>\$ 64,558</u>	<u>\$ 64,558</u>	<u>\$ 245,798</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 12,820
Public Safety	0	0	5,158
Other Operations	0	490	159,675
Capital Projects	300,026	300,026	300,026
Total Expenditures	<u>\$ 300,026</u>	<u>\$ 300,516</u>	<u>\$ 477,679</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (235,468)</u>	<u>\$ (235,958)</u>	<u>\$ (231,881)</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 299,380	\$ 299,380	\$ 299,380
Transfers Out	(51,606)	(51,606)	(51,606)
Total Other Financing Sources (Uses)	<u>\$ 247,774</u>	<u>\$ 247,774</u>	<u>\$ 247,774</u>

(Continued)

Exhibit G-2

Wayne County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
Net Change in Fund Balances	\$ 12,306	\$ 11,816	\$ 15,893
Fund Balance, July 1, 2016	553,619	554,109	735,964
Fund Balance, June 30, 2017	<u>\$ 565,925</u>	<u>\$ 565,925</u>	<u>\$ 751,857</u>

Exhibit G-3

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 15,786	\$ 16,510	\$ 16,510	\$ (724)
Total Revenues	\$ 15,786	\$ 16,510	\$ 16,510	\$ (724)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 5,158	\$ 52,882	\$ 52,882	\$ 47,724
Total Expenditures	\$ 5,158	\$ 52,882	\$ 52,882	\$ 47,724
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,628	\$ (36,372)	\$ (36,372)	\$ 47,000
Net Change in Fund Balance	\$ 10,628	\$ (36,372)	\$ (36,372)	\$ 47,000
Fund Balance, July 1, 2016	111,938	91,790	91,790	20,148
Fund Balance, June 30, 2017	\$ 122,566	\$ 55,418	\$ 55,418	\$ 67,148

Exhibit G-4

Wayne County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Other Special Revenue Fund
 For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
State of Tennessee	\$ 112,634	\$ 0	\$ 112,634	\$ 100,000	\$ 160,425	\$ (47,791)
Other Governments and Citizens Groups	40,000	0	40,000	40,000	80,000	(40,000)
Total Revenues	<u>\$ 152,634</u>	<u>\$ 0</u>	<u>\$ 152,634</u>	<u>\$ 140,000</u>	<u>\$ 240,425</u>	<u>\$ (87,791)</u>
<u>Expenditures</u>						
<u>Other Operations</u>						
Tourism	\$ 98,760	\$ 400	\$ 99,160	\$ 80,038	\$ 141,903	\$ 42,743
Tourism - Resort District	60,425	0	60,425	58,500	118,925	58,500
Total Expenditures	<u>\$ 159,185</u>	<u>\$ 400</u>	<u>\$ 159,585</u>	<u>\$ 138,538</u>	<u>\$ 260,828</u>	<u>\$ 101,243</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,551)</u>	<u>\$ (400)</u>	<u>\$ (6,951)</u>	<u>\$ 1,462</u>	<u>\$ (20,403)</u>	<u>\$ 13,452</u>
Net Change in Fund Balance	\$ (6,551)	\$ (400)	\$ (6,951)	\$ 1,462	\$ (20,403)	\$ 13,452
Fund Balance, July 1, 2016	<u>69,917</u>	<u>0</u>	<u>69,917</u>	<u>63,801</u>	<u>63,801</u>	<u>6,116</u>
Fund Balance, June 30, 2017	<u><u>\$ 63,366</u></u>	<u><u>\$ (400)</u></u>	<u><u>\$ 62,966</u></u>	<u><u>\$ 65,263</u></u>	<u><u>\$ 43,398</u></u>	<u><u>\$ 19,568</u></u>

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit H

Wayne County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 General Debt Service Fund
 For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,499,744	\$ 2,477,052	\$ 2,477,052	\$ 22,692
Other Governments and Citizens Groups	200,000	200,000	200,000	0
Total Revenues	<u>\$ 2,699,744</u>	<u>\$ 2,677,052</u>	<u>\$ 2,677,052</u>	<u>\$ 22,692</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 448,800	\$ 341,650	\$ 448,800	\$ 0
Highways and Streets	194,444	235,450	194,563	119
Education	1,145,300	1,162,900	1,145,300	0
<u>Interest on Debt</u>				
General Government	359,578	414,666	359,578	0
Highways and Streets	72,668	44,142	72,668	0
Education	415,455	427,794	415,455	0
<u>Other Debt Service</u>				
General Government	3,357,814	41,928	3,360,184	2,370
Highways and Streets	937,800	5,000	942,800	5,000
Education	3,573,000	6,500	3,579,500	6,500
Total Expenditures	<u>\$ 10,504,859</u>	<u>\$ 2,680,030</u>	<u>\$ 10,518,848</u>	<u>\$ 13,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,805,115)</u>	<u>\$ (2,978)</u>	<u>\$ (7,841,796)</u>	<u>\$ 36,681</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 7,405,000	0	\$ 7,405,000	0
Premiums on Debt Sold	424,056	0	424,056	0
Transfers In	51,606	0	0	51,606
Total Other Financing Sources	<u>\$ 7,880,662</u>	<u>\$ 0</u>	<u>\$ 7,829,056</u>	<u>\$ 51,606</u>
Net Change in Fund Balance	\$ 75,547	\$ (2,978)	\$ (12,740)	\$ 88,287
Fund Balance, July 1, 2016	<u>1,601,841</u>	<u>1,457,237</u>	<u>1,457,237</u>	<u>144,604</u>
Fund Balance, June 30, 2017	<u>\$ 1,677,388</u>	<u>\$ 1,454,259</u>	<u>\$ 1,444,497</u>	<u>\$ 232,891</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Wayne County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 209,035	\$ 209,035
Accounts Receivable	0	36	36
Cash Shortage	0	1,100	1,100
Due from Other Governments	126,691	0	126,691
Total Assets	<u>\$ 126,691</u>	<u>\$ 210,171</u>	<u>\$ 336,862</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 126,691	\$ 0	\$ 126,691
Due to Litigants, Heirs, and Others	0	210,171	210,171
Total Liabilities	<u>\$ 126,691</u>	<u>\$ 210,171</u>	<u>\$ 336,862</u>

Exhibit I-2

Wayne County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities- Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 481,461	\$ 481,461	\$ 0
Due from Other Governments	90,389	126,691	90,389	126,691
Total Assets	\$ 90,389	\$ 608,152	\$ 571,850	\$ 126,691
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 90,389	\$ 608,152	\$ 571,850	\$ 126,691
Total Liabilities	\$ 90,389	\$ 608,152	\$ 571,850	\$ 126,691
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 252,253	\$ 4,476,137	\$ 4,519,355	\$ 209,035
Accounts Receivable	60	36	60	36
Cash Shortage	0	7,723	6,623	1,100
Total Assets	\$ 252,313	\$ 4,483,896	\$ 4,526,038	\$ 210,171
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 252,313	\$ 4,483,896	\$ 4,526,038	\$ 210,171
Total Liabilities	\$ 252,313	\$ 4,483,896	\$ 4,526,038	\$ 210,171
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 252,253	\$ 4,476,137	\$ 4,519,355	\$ 209,035
Equity in Pooled Cash and Investments	0	481,461	481,461	0
Accounts Receivable	60	36	60	36
Cash Shortage	0	7,723	6,623	1,100
Due from Other Governments	90,389	126,691	90,389	126,691
Total Assets	\$ 342,702	\$ 5,092,048	\$ 5,097,888	\$ 336,862
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 90,389	\$ 608,152	\$ 571,850	\$ 126,691
Due to Litigants, Heirs, and Others	252,313	4,483,896	4,526,038	210,171
Total Liabilities	\$ 342,702	\$ 5,092,048	\$ 5,097,888	\$ 336,862

Wayne County School Department

This section presents fund financial statements for the Wayne County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, and one Capital Projects Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for School Department construction, renovation projects, and other capital purchases.

Exhibit J-1

Wayne County, Tennessee
Statement of Activities
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 11,708,623	\$ 0	\$ 2,216,073	\$ 0	\$ (9,492,550)
Support Services	7,173,781	51,746	138,839	26,995	(6,956,201)
Operation of Non-instructional Services	2,411,167	289,811	978,103	0	(1,143,253)
Total Governmental Activities	\$ 21,293,571	\$ 341,557	\$ 3,333,015	\$ 26,995	\$ (17,592,004)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,008,831
Local Option Sales Tax					706,945
Other Local Taxes					16,379
Grants and Contributions Not Restricted to Specific Programs					14,914,133
E-Rate Funding					128,539
Miscellaneous					94,789
Total General Revenues					\$ 17,869,616
Change in Net Position					\$ 277,612
Net Position, July 1, 2016					10,161,093
Net Position, June 30, 2017					\$ 10,438,705

Exhibit J-2

Wayne County, Tennessee
 Balance Sheet - Governmental Funds
Discretely Presented Wayne County School Department
 June 30, 2017

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	General Purpose School	Other Govern- mental Funds	
<u>ASSETS</u>			
Cash	\$ 0	\$ 555	\$ 555
Equity in Pooled Cash and Investments	1,840,232	455,608	2,295,840
Accounts Receivable	0	32,152	32,152
Due from Other Governments	442,317	28,380	470,697
Property Taxes Receivable	2,153,220	0	2,153,220
Allowance for Uncollectible Property Taxes	(65,694)	0	(65,694)
Total Assets	<u>\$ 4,370,075</u>	<u>\$ 516,695</u>	<u>\$ 4,886,770</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 425,371	\$ 53,431	\$ 478,802
Due to State of Tennessee	885	0	885
Total Liabilities	<u>\$ 426,256</u>	<u>\$ 53,431</u>	<u>\$ 479,687</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,006,984	\$ 0	\$ 2,006,984
Deferred Delinquent Property Taxes	74,288	0	74,288
Other Deferred/Unavailable Revenue	64,240	0	64,240
Total Deferred Inflows of Resources	<u>\$ 2,145,512</u>	<u>\$ 0</u>	<u>\$ 2,145,512</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 16,388	\$ 235,951	\$ 252,339
Restricted for Capital Outlay	0	182,313	182,313
Committed:			
Committed for Education	0	45,000	45,000
Assigned:			
Assigned for Education	60,347	0	60,347
Unassigned	1,721,572	0	1,721,572
Total Fund Balances	<u>\$ 1,798,307</u>	<u>\$ 463,264</u>	<u>\$ 2,261,571</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,370,075</u>	<u>\$ 516,695</u>	<u>\$ 4,886,770</u>

Exhibit J-3

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Wayne County School Department
June 30, 2017

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	2,261,571
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	513,517	
Add: buildings and improvements net of accumulated depreciation		10,807,113	
Add: other capital assets net of accumulated depreciation		<u>1,263,268</u>	12,583,898
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: termination benefits liability	\$	(206,035)	
Less: net pension liability - teacher legacy plan		(1,734,252)	
Less: other postemployment benefits liability		<u>(4,098,067)</u>	(6,038,354)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	3,458,314	
Less: deferred inflows of resources related to pensions		<u>(2,580,137)</u>	878,177
(4) Net pension assets of the agent and teacher retirement pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	600,414	
Add: net pension asset - teacher retirement plan		<u>14,471</u>	614,885
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>138,528</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>10,438,705</u></u>

Exhibit J-4

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2017

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General	Other	
	Purpose	Govern-	Total
	School	mental	Governmental
		Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 2,749,595	\$ 0	\$ 2,749,595
Licenses and Permits	470	0	470
Charges for Current Services	51,746	289,811	341,557
Other Local Revenues	213,857	336	214,193
State of Tennessee	15,506,481	11,766	15,518,247
Federal Government	206,504	2,518,124	2,724,628
Other Governments and Citizens Groups	37,020	0	37,020
Total Revenues	<u>\$ 18,765,673</u>	<u>\$ 2,820,037</u>	<u>\$ 21,585,710</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 10,945,371	\$ 1,108,675	\$ 12,054,046
Support Services	6,123,664	464,907	6,588,571
Operation of Non-Instructional Services	1,232,457	1,269,514	2,501,971
Capital Outlay	18,090	0	18,090
Debt Service:			
Other Debt Service	200,000	0	200,000
Capital Projects	0	501,187	501,187
Total Expenditures	<u>\$ 18,519,582</u>	<u>\$ 3,344,283</u>	<u>\$ 21,863,865</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 246,091</u>	<u>\$ (524,246)</u>	<u>\$ (278,155)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 8,169	\$ 0	\$ 8,169
Total Other Financing Sources (Uses)	<u>\$ 8,169</u>	<u>\$ 0</u>	<u>\$ 8,169</u>
Net Change in Fund Balances	\$ 254,260	\$ (524,246)	\$ (269,986)
Fund Balance, July 1, 2016	1,544,047	987,510	2,531,557
Fund Balance, June 30, 2017	<u>\$ 1,798,307</u>	<u>\$ 463,264</u>	<u>\$ 2,261,571</u>

Exhibit J-5

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	(269,986)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	668,973	
Less: current-year depreciation expense		<u>(889,528)</u>	(220,555)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2016	\$	(153,055)	
Add: deferred delinquent property taxes and other deferred June 30, 2017		<u>138,528</u>	(14,527)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net pension asset - agent pension plan	\$	(120,638)	
Change in net pension asset - teacher retirement pension plan		7,150	
Change in net pension liability - teacher legacy pension plan		(1,624,287)	
Change in deferred outflows related to pensions		2,294,848	
Change in deferred inflows related to pensions		416,924	
Change in termination benefits liability		101,989	
Change in other postemployment benefits liability		<u>(293,306)</u>	<u>782,680</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 277,612</u>

Exhibit J-6

Wayne County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Wayne County School Department
June 30, 2017

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>	
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>		
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>	
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>	
				<u>Projects</u>	<u>Funds</u>	
<u>ASSETS</u>						
Cash	\$ 0	\$ 555	\$ 555	\$ 0	\$ 555	
Equity in Pooled Cash and Investments	54,892	218,403	273,295	182,313	455,608	
Accounts Receivable	682	31,470	32,152	0	32,152	
Due from Other Governments	28,380	0	28,380	0	28,380	
Total Assets	\$ 83,954	\$ 250,428	\$ 334,382	\$ 182,313	\$ 516,695	
<u>LIABILITIES</u>						
Payroll Deductions Payable	\$ 38,148	\$ 15,283	\$ 53,431	\$ 0	\$ 53,431	
Total Liabilities	\$ 38,148	\$ 15,283	\$ 53,431	\$ 0	\$ 53,431	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Education	\$ 806	\$ 235,145	\$ 235,951	\$ 0	\$ 235,951	
Restricted for Capital Outlay	0	0	0	182,313	182,313	
Committed:						
Committed for Education	45,000	0	45,000	0	45,000	
Total Fund Balances	\$ 45,806	\$ 235,145	\$ 280,951	\$ 182,313	\$ 463,264	
Total Liabilities and Fund Balances	\$ 83,954	\$ 250,428	\$ 334,382	\$ 182,313	\$ 516,695	

Exhibit J-7

Wayne County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 289,811	\$ 289,811	\$ 0	\$ 289,811
Other Local Revenues	0	336	336	0	336
State of Tennessee	0	11,766	11,766	0	11,766
Federal Government	1,551,787	966,337	2,518,124	0	2,518,124
Total Revenues	\$ 1,551,787	\$ 1,268,250	\$ 2,820,037	\$ 0	\$ 2,820,037
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,108,675	\$ 0	\$ 1,108,675	\$ 0	\$ 1,108,675
Support Services	464,907	0	464,907	0	464,907
Operation of Non-Instructional Services	0	1,269,514	1,269,514	0	1,269,514
Capital Projects	0	0	0	501,187	501,187
Total Expenditures	\$ 1,573,582	\$ 1,269,514	\$ 2,843,096	\$ 501,187	\$ 3,344,283
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (21,795)	\$ (1,264)	\$ (23,059)	\$ (501,187)	\$ (524,246)
Net Change in Fund Balances	\$ (21,795)	\$ (1,264)	\$ (23,059)	\$ (501,187)	\$ (524,246)
Fund Balance, July 1, 2016	67,601	236,409	304,010	683,500	987,510
Fund Balance, June 30, 2017	\$ 45,806	\$ 235,145	\$ 280,951	\$ 182,313	\$ 463,264

Exhibit J-8

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County School Department
General Purpose School Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,749,595	\$ 0	\$ 0	\$ 2,749,595	\$ 2,675,730	\$ 2,653,871	\$ 95,724
Licenses and Permits	470	0	0	470	550	550	(80)
Charges for Current Services	51,746	0	0	51,746	55,000	55,000	(3,254)
Other Local Revenues	213,857	0	0	213,857	124,500	273,275	(59,418)
State of Tennessee	15,506,481	0	0	15,506,481	15,311,907	15,560,234	(53,753)
Federal Government	206,504	0	0	206,504	129,978	130,156	76,348
Other Governments and Citizens Groups	37,020	0	0	37,020	0	0	37,020
Total Revenues	\$ 18,765,673	\$ 0	\$ 0	\$ 18,765,673	\$ 18,297,665	\$ 18,673,086	\$ 92,587
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 9,167,231	\$ (18,015)	\$ 19,314	\$ 9,168,530	\$ 9,625,932	\$ 9,476,732	\$ 308,202
Alternative Instruction Program	89,409	0	0	89,409	92,770	92,825	3,416
Special Education Program	1,237,391	(239)	2,895	1,240,047	1,291,700	1,266,872	26,825
Career and Technical Education Program	451,340	(661)	3,671	454,350	473,076	472,327	17,977
<u>Support Services</u>							
Attendance	37,882	0	0	37,882	45,144	42,023	4,141
Health Services	317,776	0	2,500	320,276	382,877	330,126	9,850
Other Student Support	526,065	(7,535)	646	519,176	489,017	537,733	18,557
Regular Instruction Program	531,447	(444)	128	531,131	555,554	544,666	13,535
Special Education Program	256,220	0	2,694	258,914	287,800	285,950	27,036
Career and Technical Education Program	110,700	0	0	110,700	128,122	127,366	16,666
Technology	208,740	0	1,101	209,841	123,532	287,028	77,187
Other Programs	91,020	0	0	91,020	0	91,020	0
Board of Education	214,000	0	0	214,000	238,129	233,851	19,851
Director of Schools	167,406	0	174	167,580	165,539	172,119	4,539
Office of the Principal	731,561	0	0	731,561	693,922	740,621	9,060
Fiscal Services	68,142	(500)	4,477	72,119	74,612	74,742	2,623
Operation of Plant	1,438,433	(1,948)	6,189	1,442,674	1,373,193	1,483,298	40,624

(Continued)

Exhibit J-8

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 315,484	\$ (8,752)	\$ 7,037	\$ 313,769	\$ 298,395	\$ 326,960	\$ 13,191
Transportation	1,108,788	(58,048)	3,837	1,054,577	1,029,372	1,100,843	46,266
<u>Operation of Non-Instructional Services</u>							
Community Services	130,911	(250)	0	130,661	124,611	358,222	227,561
Early Childhood Education	1,101,546	(69,958)	5,684	1,037,272	1,046,279	1,038,306	1,034
<u>Capital Outlay</u>							
Regular Capital Outlay	18,090	0	0	18,090	0	18,100	10
<u>Other Debt Service</u>							
Education	200,000	0	0	200,000	200,000	200,000	0
Total Expenditures	\$ 18,519,582	\$ (166,350)	\$ 60,347	\$ 18,413,579	\$ 18,739,576	\$ 19,301,730	\$ 888,151
Excess (Deficiency) of Revenues Over Expenditures	\$ 246,091	\$ 166,350	\$ (60,347)	\$ 352,094	\$ (441,911)	\$ (628,644)	\$ 980,738
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,169	\$ 0	\$ 0	\$ 8,169	\$ 0	\$ 6,650	\$ 1,519
Total Other Financing Sources	\$ 8,169	\$ 0	\$ 0	\$ 8,169	\$ 0	\$ 6,650	\$ 1,519
Net Change in Fund Balance	\$ 254,260	\$ 166,350	\$ (60,347)	\$ 360,263	\$ (441,911)	\$ (621,994)	\$ 982,257
Fund Balance, July 1, 2016	1,544,047	(166,350)	0	1,377,697	1,133,237	1,459,047	(81,350)
Fund Balance, June 30, 2017	\$ 1,798,307	\$ 0	\$ (60,347)	\$ 1,737,960	\$ 691,326	\$ 837,053	\$ 900,907

Exhibit J-9

Wayne County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Wayne County School Department
 School Federal Projects Fund
 For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 1,551,787	\$ 0	\$ 0	\$ 1,551,787	\$ 1,554,471	\$ 1,731,394	\$ (179,607)
Total Revenues	\$ 1,551,787	\$ 0	\$ 0	\$ 1,551,787	\$ 1,554,471	\$ 1,731,394	\$ (179,607)
Expenditures							
Instruction							
Regular Instruction Program	\$ 721,030	\$ (22,076)	\$ 0	\$ 698,954	\$ 799,612	\$ 753,942	\$ 54,988
Special Education Program	365,819	0	0	365,819	393,940	429,987	64,168
Career and Technical Education Program	21,826	0	42	21,868	19,598	21,868	0
Support Services							
Other Student Support	26,709	(174)	0	26,535	32,487	37,342	10,807
Regular Instruction Program	216,963	(376)	0	216,587	114,952	226,465	9,878
Special Education Program	187,458	0	0	187,458	150,829	219,597	32,139
Career and Technical Education Program	2,193	0	0	2,193	3,053	2,193	0
Transportation	31,584	0	0	31,584	40,000	40,000	8,416
Total Expenditures	\$ 1,573,582	\$ (22,626)	\$ 42	\$ 1,550,998	\$ 1,554,471	\$ 1,731,394	\$ 180,396
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,795)	\$ 22,626	\$ (42)	\$ 789	\$ 0	\$ 0	\$ 789
Net Change in Fund Balance	\$ (21,795)	\$ 22,626	\$ (42)	\$ 789	\$ 0	\$ 0	\$ 789
Fund Balance, July 1, 2016	67,601	(22,626)	0	44,975	45,000	45,000	(25)
Fund Balance, June 30, 2017	\$ 45,806	\$ 0	\$ (42)	\$ 45,764	\$ 45,000	\$ 45,000	\$ 764

Exhibit J-10

Wayne County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Wayne County School Department
 Central Cafeteria Fund
 For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 289,811	\$ 0	\$ 0	\$ 289,811	\$ 449,999	\$ 449,999	\$ (160,188)
Other Local Revenues	336	0	0	336	500	500	(164)
State of Tennessee	11,766	0	0	11,766	13,798	13,798	(2,032)
Federal Government	966,337	0	0	966,337	838,500	955,450	10,887
Total Revenues	\$ 1,268,250	\$ 0	\$ 0	\$ 1,268,250	\$ 1,302,797	\$ 1,419,747	\$ (151,497)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,269,514	\$ (4,260)	\$ 5,992	\$ 1,271,246	\$ 1,302,797	\$ 1,419,747	\$ 148,501
Total Expenditures	\$ 1,269,514	\$ (4,260)	\$ 5,992	\$ 1,271,246	\$ 1,302,797	\$ 1,419,747	\$ 148,501
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,264)	\$ 4,260	\$ (5,992)	\$ (2,996)	\$ 0	\$ 0	\$ (2,996)
Net Change in Fund Balance	\$ (1,264)	\$ 4,260	\$ (5,992)	\$ (2,996)	\$ 0	\$ 0	\$ (2,996)
Fund Balance, July 1, 2016	236,409	(4,260)	0	232,149	188,844	188,844	43,305
Fund Balance, June 30, 2017	\$ 235,145	\$ 0	\$ (5,992)	\$ 229,153	\$ 188,844	\$ 188,844	\$ 40,309

MISCELLANEOUS SCHEDULES

Exhibit K-1

Wayne County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
GOVERNMENTAL ACTIVITIES:									
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Capital Outlay Note, Series 2016	\$ 299,380	2.20	% 12-29-16	12-29-19	\$ 0	\$ 299,380	\$ 48,544	\$ 0	\$ 250,836
Capital Outlay Note, Series 2017	315,000	2.17	3-30-17	3-1-20	0	315,000	0	0	315,000
Total Notes Payable					\$ 0	\$ 614,380	\$ 48,544	\$ 0	\$ 565,836
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
School Refunding Bonds	9,495,000	3.72	6-3-03	12-1-23	\$ 7,535,000	\$ 0	\$ 815,000	\$ 0	\$ 6,720,000
School Refunding Bonds	2,355,000	4	3-31-05	10-20-16	1,400,000	0	155,000	1,245,000	0
General Obligation Bond Series 2006	9,450,000	4.05	3-1-06	10-20-16	6,805,000	0	340,000	6,465,000	0
General Obligation Bond Series 2009	6,500,000	4.13	6-3-09	12-1-34	5,420,000	0	200,000	0	5,220,000
General Obligation Bond Series 2015	4,000,000	2.50	11-5-15	5-1-31	4,000,000	0	230,000	0	3,770,000
Refunding General Obligation Bond Series 2016	7,405,000	2.50	10-20-16	12-1-30	0	7,405,000	0	0	7,405,000
Total Bonds Payable					\$ 25,160,000	\$ 7,405,000	\$ 1,740,000	\$ 7,710,000	\$ 23,115,000
BUSINESS-TYPE ACTIVITIES:									
BONDS PAYABLE									
<u>Payable through Public Utility Fund</u>									
Water Revenue and Tax Bond Series 2008	332,000	4.25	6-25-08	6-28-46	\$ 298,574	\$ 0	\$ 5,034	\$ 0	\$ 293,540
Water Revenue and Tax Bond Series 2012	1,207,000	2.75	3-12-14	3-12-52	1,165,077	0	19,481	0	1,145,596
Total Bonds Payable					\$ 1,463,651	\$ 0	\$ 24,515	\$ 0	\$ 1,439,136

Exhibit K-2

Wayne County, Tennessee
Schedule of Long-term Debt Requirements by Year

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 203,684	\$ 10,814	\$ 214,498
2019	205,877	6,892	212,769
2020	156,275	2,609	158,884
Total	\$ 565,836	\$ 20,315	\$ 586,151

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 1,825,000	\$ 522,278	\$ 2,347,278
2019	1,880,000	478,087	2,358,087
2020	1,945,000	432,413	2,377,413
2021	2,020,000	384,888	2,404,888
2022	2,095,000	335,332	2,430,332
2023	2,170,000	283,438	2,453,438
2024	2,230,000	229,474	2,459,474
2025	975,000	194,141	1,169,141
2026	1,005,000	177,719	1,182,719
2027	1,035,000	159,816	1,194,816
2028	1,060,000	140,523	1,200,523
2029	1,090,000	120,527	1,210,527
2030	1,115,000	99,889	1,214,889
2031	1,150,000	82,968	1,232,968
2032	355,000	58,734	413,734
2033	370,000	42,875	412,875
2034	390,000	26,250	416,250
2035	405,000	8,859	413,859
Total	\$ 23,115,000	\$ 3,778,211	\$ 26,893,211

(Continued)

Exhibit K-2

Wayne County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Bonds		Total
	Principal	Interest	
2018	\$ 25,275	\$ 43,653	\$ 68,928
2019	26,060	42,868	68,928
2020	26,871	42,057	68,928
2021	27,707	41,221	68,928
2022	28,572	40,356	68,928
2023	29,464	39,464	68,928
2024	30,385	38,543	68,928
2025	31,336	37,592	68,928
2026	32,318	36,610	68,928
2027	33,332	35,596	68,928
2028	34,380	34,548	68,928
2029	35,462	33,466	68,928
2030	36,579	32,349	68,928
2031	37,733	31,195	68,928
2032	38,925	30,003	68,928
2033	40,157	28,771	68,928
2034	41,429	27,499	68,928
2035	42,742	26,186	68,928
2036	44,101	24,827	68,928
2037	45,503	23,425	68,928
2038	46,953	21,975	68,928
2039	48,450	20,478	68,928
2040	49,997	18,931	68,928
2041	51,597	17,331	68,928
2042	53,250	15,678	68,928
2043	54,958	13,970	68,928
2044	56,723	12,205	68,928
2045	58,548	10,380	68,928
2046	60,434	8,494	68,928
2047	44,411	6,865	51,276
2048	45,648	5,628	51,276
2049	46,919	4,357	51,276
2050	48,226	3,050	51,276
2051	49,569	1,707	51,276
2052	35,122	380	35,502
Total	\$ 1,439,136	\$ 851,658	\$ 2,290,794

Exhibit K-3

Wayne County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Highway Capital Projects	General Debt Service	To retire debt	\$ 51,606
Total Transfers			\$ 51,606

Exhibit K-4

Wayne County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Wayne County School Department
For the Year Ended June 30, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond/ Insurance	Surety
County Executive:				
Coy Anderson (7-1-16 through 8-12-16)	Section 8-24-102, <i>TCA</i>	\$ 12,195	\$ 100,000	State Automobile Mutual Insurance Company
Jim Mangubat (8-13-16 through 6-30-17)	Section 8-24-102, <i>TCA</i>	66,058	100,000	Auto Owners Mutual Insurance Company
Commissioner of Highways	Section 8-24-102, <i>TCA</i>	74,444	100,000	State Automobile Mutual Insurance Company
Director of Schools	State Board of Education and County Board of Education	99,441 (1)	400,000 (4)	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	67,676	726,194	State Automobile Mutual Insurance Company
Assessor of Property:				
Billy Vencion (7-1-16 through 8-31-16)	Section 8-24-102, <i>TCA</i>	13,783	50,000	State Automobile Mutual Insurance Company
Dustin White (9-1-16 through 6-30-17)	Section 8-24-102, <i>TCA</i>	56,397	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	67,676	150,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	67,676	100,000	Auto Owners Mutual Insurance Company
Clerk and Master	Section 8-24-102, <i>TCA</i>	67,676 (2)	110,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	67,676	100,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	74,444 (3)	100,000	Auto Owners Mutual Insurance Company
Employee Insurance Policies:				
Employee Fidelity - County Departments			150,000	One Beacon Insurance Group LLC
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

- (1) Includes a chief executive officer training supplement of \$1,000.
- (2) Does not include special commissioner fees of \$12,820.
- (3) Does not include a law enforcement training supplement of \$600.
- (4) Coverage is provided under the employee fidelity insurance policy.

Exhibit K-5

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,968,493	\$ 773,155	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	85,122	42,062	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	71,677	15,815	0	0	0
Interest and Penalty	15,447	6,442	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	32,307	0	0	0	0
Payments in-Lieu-of Taxes - Other	17,727	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Wheel Tax	156,566	0	0	0	0
Litigation Tax - General	43,887	0	0	0	0
Litigation Tax - Special Purpose	9,319	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	133	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	2,894	0	0	0	0
Litigation Tax - Courthouse Security	38,486	0	0	0	0
Business Tax	102,512	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	42,158	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	93,629	0	0	0	0
Wholesale Beer Tax	87,909	40,175	0	0	0
Interstate Telecommunications Tax	1,017	0	0	0	0
Total Local Taxes	\$ 2,769,283	\$ 877,649	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 470	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	3,290	0	0	0	0
<u>Permits</u>					
Beer Permits	2,232	0	0	0	0
Total Licenses and Permits	\$ 5,992	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 5,035	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,137	0	0	0	0
Game and Fish Fines	22	0	0	0	0
Drug Control Fines	3,013	0	11,851	0	0
Drug Court Fees	738	0	0	0	0
Jail Fees	3,671	0	0	0	0
DUI Treatment Fines	730	0	0	0	0
Data Entry Fee - Circuit Court	522	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	380	0	0	0	0
<u>General Sessions Court</u>					
Fines	13,571	0	0	0	0
Fines for Littering	504	0	0	0	0
Officers Costs	20,225	0	0	0	0
Game and Fish Fines	968	0	0	0	0
Drug Control Fines	2,969	0	3,083	0	0
Drug Court Fees	6,114	0	0	0	0

(Continued)

Exhibit K-5

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Jail Fees	\$ 15,118	\$ 0	\$ 0	\$ 0	0
Interpreter Fee	47,692	0	0	0	0
DUI Treatment Fines	3,763	0	0	0	0
Data Entry Fee - General Sessions Court	6,291	0	0	0	0
<u>Juvenile Court</u>					
Fines	456	0	0	0	0
Officers Costs	1,047	0	0	0	0
Interpreter Fee	1,200	0	0	0	0
Data Entry Fee - Juvenile Court	276	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,744	0	0	0	0
Data Entry Fee - Chancery Court	2,684	0	0	0	0
<u>Other Courts - In-county</u>					
Interpreter Fee	8,208	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	852	0	0
Total Fines, Forfeitures, and Penalties	\$ 149,078	\$ 0	\$ 15,786	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	\$ 2,500	\$ 0	\$ 0	\$ 0	0
<u>Fees</u>					
Copy Fees	91	0	0	0	0
Library Fees	6,985	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0

(Continued)

Exhibit K-5

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 45,048	\$ 0	\$ 0	\$ 0	\$ 0
Special Commissioner Fees/Special Master Fees	0	0	0	0	12,820
Data Processing Fee - Register	10,770	0	0	0	0
Data Processing Fee - Sheriff	1,375	0	0	0	0
Sexual Offender Registration Fee - Sheriff	850	0	0	0	0
Data Processing Fee - County Clerk	232	0	0	0	0
<u>Education Charges</u>					
Other Charges for Services	2,000	0	0	0	0
Total Charges for Current Services	\$ 70,001	\$ 0	\$ 0	\$ 0	\$ 12,820
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 55,222	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	65,025	0	0	0	0
Commissary Sales	82,509	0	0	0	0
Sale of Maps	4,819	0	0	0	0
Sale of Recycled Materials	633	69,569	0	0	0
E-Rate Funding	1,835	0	0	0	0
Miscellaneous Refunds	34,609	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	11,881	0	0	0	0
Damages Recovered from Individuals	1,170	0	0	0	0
Contributions and Gifts	2,538	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	15	0	0	0	0
Total Other Local Revenues	\$ 260,256	\$ 69,569	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 203,171	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	28,865	0	0	0	0
General Sessions Court Clerk	102,161	0	0	0	0
Clerk and Master	70,536	0	0	0	0
Juvenile Court Clerk	17,328	0	0	0	0
Register	61,970	0	0	0	0
Sheriff	18,516	0	0	0	0
Trustee	214,110	0	0	0	0
Total Fees Received From County Officials	\$ 716,657	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	8,400	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	106,021	0	0	0	0
Other Health and Welfare Grants	10,000	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
State Aid Program	0	0	0	0	0
Litter Program	44,239	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	38,904	0	0	0	0
Resort District Sales Tax	68,133	0	0	67,634	0

(Continued)

Exhibit K-5

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Beer Tax	\$ 18,415	\$ 0	\$ 0	\$ 0	\$ 0
Alcoholic Beverage Tax	55,037	0	0	0	0
State Revenue Sharing - T.V.A.	739,096	0	0	35,000	0
Prisoner Transportation	2,000	0	0	0	0
Contracted Prisoner Boarding	816,505	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	10,000	0	0	10,000	0
Other State Revenues	13,455	4,334	0	0	0
Total State of Tennessee	\$ 1,954,369	\$ 4,334	\$ 0	\$ 112,634	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	17,350	0	0	0	0
Other Federal through State	37,298	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	19,202	0	0	0	0
Total Federal Government	\$ 73,850	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 333	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	14,000	0	0	40,000	0
Total Other Governments and Citizens Groups	\$ 14,333	\$ 0	\$ 0	\$ 40,000	\$ 0
Total	\$ 6,013,819	\$ 951,552	\$ 15,786	\$ 152,634	\$ 12,820

(Continued)

Exhibit K-5

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special	Debt Service	Capital Projects Funds		Total
	Revenue Fund	Fund	General Capital Projects	Highway Capital Projects	
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 970,386	\$ 83,176	\$ 0	\$ 3,795,210
Trustee's Collections - Prior Year	0	47,499	0	0	174,683
Circuit Clerk/Clerk and Master Collections - Prior Years	0	20,370	864	0	108,726
Interest and Penalty	0	8,493	81	0	30,463
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	32,307
Payments in-Lieu-of Taxes - Other	0	0	0	0	17,727
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	982,742	0	0	982,742
Wheel Tax	288,888	433,792	0	0	879,246
Litigation Tax - General	0	0	0	0	43,887
Litigation Tax - Special Purpose	0	0	0	0	9,319
Litigation Tax - Jail, Workhouse, or Courthouse	0	36,462	0	0	36,595
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	2,894
Litigation Tax - Courthouse Security	0	0	0	0	38,486
Business Tax	0	0	0	0	102,512
Mineral Severance Tax	0	0	0	64,558	64,558
Other County Local Option Taxes	0	0	0	0	42,158
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	93,629
Wholesale Beer Tax	0	0	0	0	128,084
Interstate Telecommunications Tax	0	0	0	0	1,017
Total Local Taxes	\$ 288,888	\$ 2,499,744	\$ 84,121	\$ 64,558	\$ 6,584,243

(Continued)

Exhibit K-5

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	470
Cable TV Franchise	0	0	0	0	3,290
<u>Permits</u>					
Beer Permits	0	0	0	0	2,232
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	5,992
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	5,035
Officers Costs	0	0	0	0	2,137
Game and Fish Fines	0	0	0	0	22
Drug Control Fines	0	0	0	0	14,864
Drug Court Fees	0	0	0	0	738
Jail Fees	0	0	0	0	3,671
DUI Treatment Fines	0	0	0	0	730
Data Entry Fee - Circuit Court	0	0	0	0	522
<u>Criminal Court</u>					
DUI Treatment Fines	0	0	0	0	380
<u>General Sessions Court</u>					
Fines	0	0	0	0	13,571
Fines for Littering	0	0	0	0	504
Officers Costs	0	0	0	0	20,225
Game and Fish Fines	0	0	0	0	968
Drug Control Fines	0	0	0	0	6,052
Drug Court Fees	0	0	0	0	6,114

(Continued)

Exhibit K-5

Wayne County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Jail Fees	\$ 0	\$ 0	\$ 0	\$ 0	15,118
Interpreter Fee	0	0	0	0	47,692
DUI Treatment Fines	0	0	0	0	3,763
Data Entry Fee - General Sessions Court	0	0	0	0	6,291
<u>Juvenile Court</u>					
Fines	0	0	0	0	456
Officers Costs	0	0	0	0	1,047
Interpreter Fee	0	0	0	0	1,200
Data Entry Fee - Juvenile Court	0	0	0	0	276
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	1,744
Data Entry Fee - Chancery Court	0	0	0	0	2,684
<u>Other Courts - In-county</u>					
Interpreter Fee	0	0	0	0	8,208
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	852
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	164,864
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	2,500
<u>Fees</u>					
Copy Fees	0	0	0	0	91
Library Fees	0	0	0	0	6,985
Greenbelt Late Application Fee	0	0	0	0	150

(Continued)

Exhibit K-5

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	45,048
Special Commissioner Fees/Special Master Fees	0	0	0	0	12,820
Data Processing Fee - Register	0	0	0	0	10,770
Data Processing Fee - Sheriff	0	0	0	0	1,375
Sexual Offender Registration Fee - Sheriff	0	0	0	0	850
Data Processing Fee - County Clerk	0	0	0	0	232
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	2,000
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	82,821
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	55,222
Lease/Rentals	0	0	0	0	65,025
Commissary Sales	0	0	0	0	82,509
Sale of Maps	0	0	0	0	4,819
Sale of Recycled Materials	3,630	0	0	0	73,832
E-Rate Funding	0	0	0	0	1,835
Miscellaneous Refunds	7,033	0	0	0	41,642
<u>Nonrecurring Items</u>					
Sale of Equipment	47,741	0	0	0	59,622
Damages Recovered from Individuals	0	0	0	0	1,170
Contributions and Gifts	0	0	0	0	2,538
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	15
Total Other Local Revenues	\$ 58,404	\$ 0	\$ 0	\$ 0	388,229

(Continued)

Exhibit K-5

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	203,171
Circuit Court Clerk	0	0	0	0	28,865
General Sessions Court Clerk	0	0	0	0	102,161
Clerk and Master	0	0	0	0	70,536
Juvenile Court Clerk	0	0	0	0	17,328
Register	0	0	0	0	61,970
Sheriff	0	0	0	0	18,516
Trustee	0	0	0	0	214,110
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	716,657
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	8,400
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	106,021
Other Health and Welfare Grants	0	0	0	0	10,000
<u>Public Works Grants</u>					
Bridge Program	641,276	0	0	0	641,276
State Aid Program	704,969	0	0	0	704,969
Litter Program	0	0	0	0	44,239
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	38,904
Resort District Sales Tax	0	0	0	0	135,767

(Continued)

Exhibit K-5

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,415
Alcoholic Beverage Tax	0	0	0	0	55,037
State Revenue Sharing - T.V.A.	0	0	0	0	774,096
Prisoner Transportation	0	0	0	0	2,000
Contracted Prisoner Boarding	0	0	0	0	816,505
Gasoline and Motor Fuel Tax	2,089,906	0	0	0	2,089,906
Petroleum Special Tax	12,281	0	0	0	12,281
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	13,543	0	0	0	33,543
Other State Revenues	0	0	0	0	17,789
Total State of Tennessee	\$ 3,461,975	\$ 0	\$ 0	\$ 0	\$ 5,533,312
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 34,285	\$ 0	\$ 0	\$ 0	\$ 34,285
Homeland Security Grants	0	0	0	0	17,350
Other Federal through State	0	0	0	0	37,298
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	19,202
Total Federal Government	\$ 34,285	\$ 0	\$ 0	\$ 0	\$ 108,135
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 333
Contributions	0	200,000	0	0	254,000
Total Other Governments and Citizens Groups	\$ 0	\$ 200,000	\$ 0	\$ 0	\$ 254,333
Total	\$ 3,843,552	\$ 2,699,744	\$ 84,121	\$ 64,558	\$ 13,838,586

Exhibit K-6

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,877,824	\$ 0	\$ 0	\$ 1,877,824
Trustee's Collections - Prior Year	92,603	0	0	92,603
Circuit Clerk/Clerk and Master Collections - Prior Years	38,026	0	0	38,026
Interest and Penalty	15,364	0	0	15,364
Payments in-Lieu-of Taxes - Other	2,913	0	0	2,913
<u>County Local Option Taxes</u>				
Local Option Sales Tax	706,486	0	0	706,486
Other County Local Option Taxes	14,992	0	0	14,992
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	1,387	0	0	1,387
Total Local Taxes	<u>\$ 2,749,595</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,749,595</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 470	\$ 0	\$ 0	\$ 470
Total Licenses and Permits	<u>\$ 470</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 470</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 151,185	\$ 151,185
Lunch Payments - Adults	0	0	34,915	34,915
Income from Breakfast	0	0	32,173	32,173
Special Milk Sales	0	0	4,584	4,584
A la Carte Sales	0	0	66,954	66,954

(Continued)

Exhibit K-6

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Receipts from Individual Schools	\$ 51,746	\$ 0	\$ 0	\$ 51,746
Total Charges for Current Services	<u>\$ 51,746</u>	<u>\$ 0</u>	<u>\$ 289,811</u>	<u>\$ 341,557</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 111	\$ 111
Lease/Rentals	2,354	0	0	2,354
Sale of Materials and Supplies	165	0	0	165
E-Rate Funding	128,539	0	0	128,539
Miscellaneous Refunds	25,363	0	225	25,588
<u>Nonrecurring Items</u>				
Sale of Equipment	50	0	0	50
Sale of Property	10,806	0	0	10,806
Damages Recovered from Individuals	17,195	0	0	17,195
Contributions and Gifts	1,500	0	0	1,500
<u>Other Local Revenues</u>				
Other Local Revenues	27,885	0	0	27,885
Total Other Local Revenues	<u>\$ 213,857</u>	<u>\$ 0</u>	<u>\$ 336</u>	<u>\$ 214,193</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 91,020	\$ 0	\$ 0	\$ 91,020
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	165,834	0	0	165,834

(Continued)

Exhibit K-6

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 14,051,809	\$ 0	\$ 0	\$ 14,051,809
Early Childhood Education	948,933	0	0	948,933
School Food Service	0	0	11,766	11,766
Driver Education	15,886	0	0	15,886
Other State Education Funds	101,048	0	0	101,048
Family Resource Centers	29,612	0	0	29,612
Career Ladder Program	87,819	0	0	87,819
<u>Other State Revenues</u>				
Safe Schools	14,520	0	0	14,520
Total State of Tennessee	<u>\$ 15,506,481</u>	<u>\$ 0</u>	<u>\$ 11,766</u>	<u>\$ 15,518,247</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 582,993	\$ 582,993
USDA - Commodities	0	0	116,950	116,950
Breakfast	0	0	262,112	262,112
USDA - Other	0	0	4,282	4,282
Vocational Education - Basic Grants to States	0	42,053	0	42,053
Community Based Organizations	89,373	0	0	89,373
Title I Grants to Local Education Agencies	0	678,548	0	678,548
Special Education - Grants to States	7,772	569,320	0	577,092
Special Education Preschool Grants	0	15,539	0	15,539
Rural Education	0	50,034	0	50,034
Eisenhower Professional Development State Grants	0	112,763	0	112,763

(Continued)

Exhibit K-6

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Other Federal through State	\$ 109,359	\$ 83,530	\$ 0	\$ 192,889
Total Federal Government	<u>\$ 206,504</u>	<u>\$ 1,551,787</u>	<u>\$ 966,337</u>	<u>\$ 2,724,628</u>
<u>Other Governments and Citizens Groups</u>				
<u>Citizens Groups</u>				
Donations	\$ 37,020	\$ 0	\$ 0	\$ 37,020
Total Other Governments and Citizens Groups	<u>\$ 37,020</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,020</u>
Total	<u>\$ 18,765,673</u>	<u>\$ 1,551,787</u>	<u>\$ 1,268,250</u>	<u>\$ 21,585,710</u>

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General Fund

General Government

County Commission

Other Salaries and Wages	\$	4,157	
Board and Committee Members Fees		12,535	
Social Security		1,031	
Pensions		251	
Unemployment Compensation		49	
Employer Medicare		241	
Advertising		3,023	
Audit Services		6,128	
Communication		399	
Dues and Memberships		1,550	
Legal Services		22,791	
Postal Charges		18,724	
Printing, Stationery, and Forms		417	
Rentals		50	
Travel		2,129	
Other Supplies and Materials		7,212	
Other Charges		2,352	
Total County Commission			\$ 83,039

County Mayor/Executive

County Official/Administrative Officer	\$	78,253	
Accountants/Bookkeepers		26,002	
Purchasing Personnel		21,580	
Other Salaries and Wages		3,817	
In-service Training		500	
Social Security		7,864	
Pensions		6,940	
Employee and Dependent Insurance		415	
Unemployment Compensation		328	
Employer Medicare		1,839	
Communication		10,567	
Data Processing Services		16,031	
Dues and Memberships		1,820	
Printing, Stationery, and Forms		459	
Rentals		25	
Travel		755	
Gasoline		730	
Periodicals		28	
Other Supplies and Materials		50	
Premiums on Corporate Surety Bonds		17	
Other Charges		965	
Office Equipment		1,911	
Total County Mayor/Executive			180,896

Election Commission

County Official/Administrative Officer	\$	60,909
Part-time Personnel		15,588

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Longevity Pay	\$	400	
Election Commission		3,380	
Election Workers		17,856	
In-service Training		2,300	
Social Security		4,884	
Pensions		3,685	
Employee and Dependent Insurance		280	
Unemployment Compensation		160	
Employer Medicare		1,142	
Advertising		1,915	
Communication		1,251	
Data Processing Services		14,600	
Dues and Memberships		225	
Maintenance and Repair Services - Equipment		400	
Rentals		552	
Travel		1,478	
Office Supplies		22	
Other Charges		261	
Total Election Commission			\$ 131,288

Register of Deeds

County Official/Administrative Officer	\$	67,676	
Clerical Personnel		20,887	
Part-time Personnel		4,361	
Longevity Pay		100	
Social Security		5,634	
Pensions		5,305	
Employee and Dependent Insurance		460	
Unemployment Compensation		99	
Employer Medicare		1,318	
Advertising		234	
Communication		1,644	
Data Processing Services		4,958	
Dues and Memberships		587	
Maintenance Agreements		522	
Printing, Stationery, and Forms		1,579	
Rentals		168	
Other Contracted Services		3,005	
Total Register of Deeds			118,537

County Buildings

Supervisor/Director	\$	29,664
Custodial Personnel		22,496
Maintenance Personnel		12,652
Longevity Pay		1,800
Other Salaries and Wages		750
Social Security		3,911

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Pensions	\$	3,351	
Employee and Dependent Insurance		370	
Unemployment Compensation		186	
Employer Medicare		915	
Communication		1,015	
Contracts with Private Agencies		7,903	
Maintenance and Repair Services - Buildings		32,426	
Maintenance and Repair Services - Equipment		17,828	
Maintenance and Repair Services - Vehicles		1,518	
Custodial Supplies		2,655	
Electricity		141,276	
Gasoline		1,570	
Uniforms		675	
Utilities		65,962	
Other Supplies and Materials		601	
Other Charges		5,823	
Building Improvements		39,125	
Office Equipment		200	
Other Equipment		1,154	
Total County Buildings			\$ 395,826

Other General Administration

Part-time Personnel	\$	13,750	
Social Security		825	
Unemployment Compensation		14	
Employer Medicare		193	
Dues and Memberships		3,493	
Maintenance and Repair Services - Office Equipment		2,347	
Other Contracted Services		2,000	
Office Supplies		23,674	
Other Supplies and Materials		900	
Total Other General Administration			47,196

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	70,180
Clerical Personnel		39,297
Part-time Personnel		11,604
Longevity Pay		1,950
Board and Committee Members Fees		1,050
Social Security		7,357
Pensions		6,876
Employee and Dependent Insurance		510
Unemployment Compensation		188
Employer Medicare		1,720
Advertising		152
Communication		1,232

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Contracts with Government Agencies	\$	7,784	
Contracts with Private Agencies		2,605	
Maintenance and Repair Services - Office Equipment		129	
Rentals		52	
Travel		503	
Gasoline		63	
Premiums on Corporate Surety Bonds		67	
Other Charges		74	
Total Property Assessor's Office			\$ 153,393

Reappraisal Program

Contracts with Private Agencies	\$	7,014	
Data Processing Services		2,506	
Other Supplies and Materials		40	
Total Reappraisal Program			9,560

County Trustee's Office

County Official/Administrative Officer	\$	67,676	
Clerical Personnel		41,774	
Longevity Pay		400	
Social Security		6,728	
Pensions		6,646	
Employee and Dependent Insurance		495	
Unemployment Compensation		128	
Employer Medicare		1,573	
Advertising		861	
Communication		1,727	
Data Processing Services		9,645	
Dues and Memberships		592	
Printing, Stationery, and Forms		4,794	
Rentals		131	
Other Supplies and Materials		226	
Premiums on Corporate Surety Bonds		3,881	
Office Equipment		520	
Total County Trustee's Office			147,797

County Clerk's Office

County Official/Administrative Officer	\$	67,676	
Deputy(ies)		45,130	
Part-time Personnel		5,144	
Social Security		7,214	
Pensions		6,450	
Employee and Dependent Insurance		605	
Unemployment Compensation		267	
Employer Medicare		1,687	
Advertising		152	
Communication		1,685	

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Data Processing Services	\$	12,033	
Dues and Memberships		472	
Maintenance and Repair Services - Office Equipment		38	
Printing, Stationery, and Forms		908	
Rentals		111	
Other Supplies and Materials		153	
Other Charges		287	
Total County Clerk's Office			\$ 150,012

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,676	
Deputy(ies)		20,915	
Part-time Personnel		17,041	
Longevity Pay		450	
Jury and Witness Expense		8,648	
Social Security		6,570	
Pensions		5,485	
Employee and Dependent Insurance		515	
Unemployment Compensation		201	
Employer Medicare		1,537	
Advertising		152	
Communication		4,435	
Contracts with Other Public Agencies		2,628	
Dues and Memberships		472	
Printing, Stationery, and Forms		1,215	
Rentals		131	
Other Contracted Services		2,374	
Other Supplies and Materials		1,597	
Total Circuit Court			142,042

General Sessions Court

Judge(s)	\$	90,477	
Secretary(ies)		25,148	
Attendants		38,572	
Longevity Pay		750	
Other Salaries and Wages		39,285	
Social Security		12,028	
Pensions		9,423	
Employee and Dependent Insurance		435	
Unemployment Compensation		325	
Employer Medicare		2,813	
Advertising		152	
Communication		1,406	
Contracts with Private Agencies		1,334	
Dues and Memberships		500	
Printing, Stationery, and Forms		482	

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Rentals	\$	92	
Travel		1,190	
Custodial Supplies		965	
In Service/Staff Development		2,200	
Other Charges		671	
Total General Sessions Court			\$ 228,248

Drug Court

Remittance of Revenue Collected	\$	8,863	
Total Drug Court			8,863

Chancery Court

County Official/Administrative Officer	\$	67,676	
Deputy(ies)		20,902	
Part-time Personnel		3,505	
Longevity Pay		1,800	
Social Security		5,771	
Pensions		5,407	
Employee and Dependent Insurance		510	
Unemployment Compensation		158	
Employer Medicare		1,350	
Advertising		1,470	
Communication		2,699	
Data Processing Services		9,578	
Dues and Memberships		532	
Maintenance and Repair Services - Office Equipment		39	
Printing, Stationery, and Forms		1,215	
Rentals		86	
Other Supplies and Materials		148	
Other Charges		584	
Office Equipment		750	
Total Chancery Court			124,180

Juvenile Court

Youth Service Officer(s)	\$	24,318	
Clerical Personnel		20,887	
Longevity Pay		200	
In-service Training		405	
Social Security		2,769	
Pensions		2,157	
Employee and Dependent Insurance		95	
Unemployment Compensation		154	
Employer Medicare		648	
Contracts with Private Agencies		5,388	
Data Processing Services		549	
Dues and Memberships		150	
Travel		426	
Total Juvenile Court			58,146

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

County Official/Administrative Officer	\$	52,345	
Longevity Pay		875	
In-service Training		224	
Social Security		3,316	
Pensions		3,236	
Employee and Dependent Insurance		365	
Unemployment Compensation		128	
Employer Medicare		776	
Travel		171	
Other Charges		21	
Total Judicial Commissioners			\$ 61,457

Courtroom Security

Deputy(ies)	\$	19,334	
Social Security		1,190	
Pensions		1,163	
Unemployment Compensation		41	
Employer Medicare		278	
Total Courtroom Security			22,006

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	74,444	
Supervisor/Director		48,714	
Deputy(ies)		328,382	
Investigator(s)		75,457	
Lieutenant(s)		35,331	
Sergeant(s)		46,093	
Teachers		5,940	
Salary Supplements		8,400	
Dispatchers/Radio Operators		1,233	
Temporary Personnel		43,125	
Longevity Pay		2,650	
In-service Training		9,049	
Social Security		41,761	
Pensions		37,751	
Employee and Dependent Insurance		2,302	
Unemployment Compensation		1,136	
Employer Medicare		9,767	
Advertising		1,261	
Communication		19,732	
Data Processing Services		7,859	
Confidential Drug Enforcement Payments		600	
Dues and Memberships		2,912	
Maintenance Agreements		5,656	
Maintenance and Repair Services - Buildings		280	
Maintenance and Repair Services - Equipment		10,676	

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Office Equipment	\$	1,000	
Maintenance and Repair Services - Vehicles		56,956	
Postal Charges		2,565	
Printing, Stationery, and Forms		3,009	
Travel		4,356	
Data Processing Supplies		2,087	
Gasoline		66,850	
Law Enforcement Supplies		1,446	
Office Supplies		3,701	
Periodicals		28	
Uniforms		22,443	
Other Supplies and Materials		1,184	
Liability Insurance		408	
Other Charges		10,505	
Data Processing Equipment		3,575	
Law Enforcement Equipment		1,244	
Motor Vehicles		195,402	
Office Equipment		1,095	
Other Equipment		16,897	
Total Sheriff's Department			\$ 1,215,262

Drug Enforcement

Other Supplies and Materials	\$	7	
Total Drug Enforcement			7

Jail

Assistant(s)	\$	32,784
Supervisor/Director		38,202
Lieutenant(s)		59,717
Sergeant(s)		112,824
Dispatchers/Radio Operators		152,881
Guards		452,868
Clerical Personnel		23,178
Educational Incentive - Other County Employees		1,257
Longevity Pay		4,550
In-service Training		3,650
Social Security		54,311
Pensions		45,511
Employee and Dependent Insurance		3,600
Unemployment Compensation		2,985
Employer Medicare		12,702
Advertising		140
Communication		26,081
Contracts with Private Agencies		1,508
Dues and Memberships		215
Evaluation and Testing		1,200
Maintenance Agreements		5,042

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Buildings	\$	37,219	
Maintenance and Repair Services - Equipment		14,907	
Maintenance and Repair Services - Vehicles		2,890	
Medical and Dental Services		133,346	
Printing, Stationery, and Forms		175	
Transportation - Other than Students		11,681	
Travel		1,462	
Other Contracted Services		191,043	
Custodial Supplies		22,402	
Drugs and Medical Supplies		105,078	
Electricity		345	
Food Supplies		2,279	
Office Supplies		7,514	
Prisoners Clothing		12,710	
Uniforms		4,090	
Other Supplies and Materials		11,258	
Premiums on Corporate Surety Bonds		2,000	
Other Charges		8,779	
Other Equipment		38,308	
Total Jail			\$ 1,642,692

Rural Fire Protection

Advertising	\$	20	
Maintenance and Repair Services - Buildings		192	
Maintenance and Repair Services - Equipment		1,709	
Maintenance and Repair Services - Vehicles		8,316	
Matching Share		2,938	
Equipment and Machinery Parts		248	
Fuel Oil		35	
Gasoline		4,450	
Liability Insurance		49,555	
Other Charges		168	
Other Equipment		17,350	
Total Rural Fire Protection			84,981

Other Emergency Management

Longevity Pay	\$	425	
Other Salaries and Wages		15,724	
Social Security		988	
Pensions		327	
Employee and Dependent Insurance		280	
Unemployment Compensation		100	
Employer Medicare		231	
Communication		9,388	
Other Contracted Services		7,425	
Electricity		2,392	
Office Supplies		168	

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Utilities	\$	578	
Other Charges		3,409	
Other Equipment		9,972	
Total Other Emergency Management			\$ 51,407

County Coroner/Medical Examiner

Social Security	\$	177	
Unemployment Compensation		23	
Employer Medicare		41	
Medical and Dental Services		25,248	
In Service/Staff Development		100	
Total County Coroner/Medical Examiner			25,589

Public Safety Grants Program

Deputy(ies)	\$	2,861	
Social Security		175	
Pensions		152	
Unemployment Compensation		8	
Employer Medicare		41	
Total Public Safety Grants Program			3,237

Other Public Safety

Communication	\$	983	
Total Other Public Safety			983

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	8,600	
Longevity Pay		750	
Social Security		580	
Unemployment Compensation		64	
Employer Medicare		136	
Advertising		236	
Communication		2,129	
Contracts with Government Agencies		19,299	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		186	
Maintenance and Repair Services - Equipment		371	
Maintenance and Repair Services - Office Equipment		114	
Pest Control		335	
Electricity		8,580	
Office Supplies		153	
Utilities		3,025	
Other Supplies and Materials		1,097	
Other Charges		562	
Other Construction		3,200	
Total Local Health Center			49,617

(Continued)

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Nursing Home

Contributions	\$ 58,185	
Total Nursing Home		\$ 58,185

Alcohol and Drug Programs

Contributions	\$ 2,500	
Total Alcohol and Drug Programs		2,500

Other Local Health Services

Longevity Pay	\$ 1,050	
Other Salaries and Wages	80,370	
Social Security	4,968	
Pensions	3,607	
Employee and Dependent Insurance	195	
Unemployment Compensation	258	
Employer Medicare	1,162	
Travel	4,139	
Other Supplies and Materials	152	
Other Charges	17,930	
Total Other Local Health Services		113,831

Regional Mental Health Center

Contributions	\$ 9,000	
Total Regional Mental Health Center		9,000

Other Local Welfare Services

Contributions	\$ 6,500	
Total Other Local Welfare Services		6,500

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 36,000	
Total Senior Citizens Assistance		36,000

Libraries

Supervisor/Director	\$ 35,886	
Deputy(ies)	19,486	
Part-time Personnel	59,135	
Longevity Pay	2,875	
Social Security	7,212	
Pensions	4,690	
Employee and Dependent Insurance	865	
Unemployment Compensation	413	
Employer Medicare	1,687	
Advertising	32	
Communication	6,203	
Data Processing Services	1,100	
Dues and Memberships	50	

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Maintenance and Repair Services - Office Equipment	\$	114	
Printing, Stationery, and Forms		551	
Rentals		138	
Travel		1,692	
Electricity		4,059	
Gasoline		31	
Library Books/Media		13,143	
Periodicals		568	
Utilities		612	
Water and Sewer		654	
Other Supplies and Materials		1,541	
Data Processing Equipment		5,096	
Office Equipment		477	
Total Libraries			\$ 168,310

Other Social, Cultural, and Recreational

Communication	\$	1,588	
Contributions		16,000	
Other Charges		37	
Total Other Social, Cultural, and Recreational			17,625

Agriculture and Natural Resources

Agricultural Extension Service

Custodial Personnel	\$	2,992	
Longevity Pay		800	
Other Salaries and Wages		28,258	
Social Security		1,755	
Pensions		517	
Unemployment Compensation		30	
Employer Medicare		614	
Other Fringe Benefits		5,454	
Communication		1,511	
Dues and Memberships		416	
Rentals		86	
Other Supplies and Materials		89	
Total Agricultural Extension Service			42,522

Forest Service

Forest Resource Services	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Clerical Personnel	\$	31,236	
Longevity Pay		150	
Social Security		1,932	
Pensions		1,402	
Employee and Dependent Insurance		45	

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Unemployment Compensation	\$	128	
Employer Medicare		452	
Communication		843	
Total Soil Conservation			\$ 36,188

Other Operations

Tourism

Utilities	\$	63	
Other Supplies and Materials		3,431	
Total Tourism			3,494

Other Economic and Community Development

Supervisor/Director	\$	15,500	
Secretary(ies)		2,596	
Social Security		160	
Pensions		156	
Unemployment Compensation		12	
Employer Medicare		37	
Contributions		7,700	
Other Supplies and Materials		4,553	
Total Other Economic and Community Development			30,714

Veterans' Services

Supervisor/Director	\$	9,463	
Social Security		587	
Unemployment Compensation		25	
Employer Medicare		137	
Communication		399	
Maintenance and Repair Services - Vehicles		826	
Gasoline		892	
Other Charges		840	
Total Veterans' Services			13,169

Other Charges

Liability Insurance	\$	175,786	
Workers' Compensation Insurance		68,408	
Total Other Charges			244,194

Contributions to Other Agencies

Contributions	\$	1,635	
Total Contributions to Other Agencies			1,635

Employee Benefits

Social Security	\$	177	
Medical Insurance		59,711	
Employer Medicare		41	
Total Employee Benefits			59,929

(Continued)

Wayne County, Tennessee
 Schedule of Detailed Expenditures -
 All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Trustee's Commission	\$ 57,332	
Total Miscellaneous		\$ 57,332

Highways

Litter and Trash Collection

Foremen	\$ 20,584	
Longevity Pay	1,750	
Social Security	1,525	
Handling Charges and Administrative Costs	2,077	
Pensions	1,424	
Employee and Dependent Insurance	90	
Unemployment Compensation	35	
Employer Medicare	357	
Maintenance and Repair Services - Vehicles	3,599	
Gasoline	6,434	
Instructional Supplies and Materials	8,573	
Other Supplies and Materials	424	
Total Litter and Trash Collection		46,872

Support Services

Other Programs

Teachers	\$ 6,750	
Social Security	398	
Pensions	90	
Unemployment Compensation	40	
Employer Medicare	93	
Total Other Programs		7,371

Total General Fund		\$ 6,093,632
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Solid Waste/Sanitation Fund

Public Health and Welfare

Other Waste Collection

Truck Drivers	\$ 48,727	
Laborers	13,984	
Longevity Pay	1,400	
Social Security	3,909	
Pensions	2,983	
Employee and Dependent Insurance	45	
Unemployment Compensation	268	
Employer Medicare	914	
Total Other Waste Collection		\$ 72,230

Landfill Operation and Maintenance

Fertilizer, Lime, and Seed	\$ 2,102	
Total Landfill Operation and Maintenance		2,102

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal

Supervisor/Director	\$	34,481	
Salary Supplements		2,000	
Longevity Pay		3,125	
Overtime Pay		9,873	
Other Salaries and Wages		149,675	
In-service Training		370	
Other Per Diem and Fees		10,564	
Social Security		12,280	
Pensions		10,274	
Employee and Dependent Insurance		1,535	
Unemployment Compensation		482	
Employer Medicare		2,872	
Advertising		1,826	
Communication		2,515	
Contracts with Private Agencies		385,181	
Dues and Memberships		312	
Evaluation and Testing		1,065	
Maintenance and Repair Services - Buildings		9,747	
Maintenance and Repair Services - Equipment		15,349	
Maintenance and Repair Services - Vehicles		11,458	
Pest Control		805	
Travel		1,318	
Disposal Fees		276	
Permits		1,500	
Custodial Supplies		2,586	
Electricity		12,781	
Fuel Oil		1,772	
Gasoline		14,430	
Lubricants		200	
Office Supplies		175	
Uniforms		17,244	
Water and Sewer		882	
Other Supplies and Materials		2,723	
Trustee's Commission		17,557	
Other Charges		1,748	
Total Other Waste Disposal			\$ 740,981

Total Solid Waste/Sanitation Fund \$ 815,313

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	5,000	
Trustee's Commission		158	
Total Drug Enforcement			\$ 5,158

Total Drug Control Fund 5,158

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	55,969	
Longevity Pay		400	
Other Salaries and Wages		8,400	
Social Security		3,921	
Pensions		1,816	
Employee and Dependent Insurance		230	
Unemployment Compensation		152	
Employer Medicare		917	
Advertising		200	
Contributions		10,868	
Dues and Memberships		500	
Gasoline		113	
Utilities		4,052	
Other Supplies and Materials		196	
Trustee's Commission		1,026	
Other Equipment		10,000	
Total Tourism			\$ 98,760

Tourism - Resort District

Contributions	\$	60,425	
Total Tourism - Resort District			60,425

Total Other Special Revenue Fund \$ 159,185

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	12,820	
Total Chancery Court			\$ 12,820

Total Constitutional Officers - Fees Fund 12,820

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	74,444	
Secretary(ies)		79,136	
Social Security		9,273	
Pensions		9,019	
Unemployment Compensation		883	
Employer Medicare		2,169	
Dues and Memberships		6,126	
Legal Notices, Recording, and Court Costs		828	
Maintenance and Repair Services - Buildings		2,611	
Maintenance and Repair Services - Office Equipment		136	
Postal Charges		534	
Printing, Stationery, and Forms		1,691	

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Travel	\$	1,310	
Other Contracted Services		14,857	
Custodial Supplies		1,262	
Office Supplies		1,065	
Other Supplies and Materials		115	
Other Charges		601	
Data Processing Equipment		1,687	
Other Equipment		294	
Total Administration			\$ 208,041

Highway and Bridge Maintenance

Foremen	\$	75,596	
Equipment Operators		263,976	
Truck Drivers		229,835	
Laborers		220,689	
Social Security		48,936	
Pensions		33,866	
Unemployment Compensation		9,345	
Employer Medicare		11,445	
Rentals		50,625	
Other Contracted Services		6,416	
Asphalt		2,887	
Asphalt - Liquid		629,186	
Concrete		1,529	
Crushed Stone		261,677	
Pipe		62,279	
Pipe - Metal		2,859	
Road Signs		9,937	
Small Tools		121	
Structural Steel		460	
Wood Products		16,604	
Other Supplies and Materials		7,544	
Other Charges		956	
Total Highway and Bridge Maintenance			1,946,768

Operation and Maintenance of Equipment

Foremen	\$	35,000
Mechanic(s)		106,565
Laborers		104
Social Security		8,736
Pensions		6,312
Unemployment Compensation		2,075
Employer Medicare		2,043
Freight Expenses		2,147
Maintenance and Repair Services - Equipment		35,587
Maintenance and Repair Services - Vehicles		2,224
Diesel Fuel		160,935

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment Parts - Light	\$	13,886	
Equipment and Machinery Parts		181,488	
Garage Supplies		10,760	
Gasoline		39,108	
Lubricants		24,985	
Small Tools		788	
Tires and Tubes		48,258	
Uniforms		6,788	
Other Supplies and Materials		2,246	
Other Charges		4,416	
Total Operation and Maintenance of Equipment			\$ 694,451

Other Charges

Communication	\$	13,644	
Electricity		15,634	
Food Supplies		18,122	
Utilities		313	
Water and Sewer		1,251	
Liability Insurance		60,908	
Trustee's Commission		23,522	
Workers' Compensation Insurance		64,989	
Liability Claims		6,136	
Other Charges		6,059	
Total Other Charges			210,578

Employee Benefits

Employee and Dependent Insurance	\$	6,227	
Total Employee Benefits			6,227

Capital Outlay

Engineering Services	\$	166,038	
Bridge Construction		547,889	
Communication Equipment		5,115	
Highway Equipment		46,450	
Land		100,000	
Motor Vehicles		4,250	
Total Capital Outlay			869,742

Total Highway/Public Works Fund \$ 3,935,807

General Debt Service Fund

Principal on Debt

<u>General Government</u>			
Principal on Bonds	\$	448,800	
Total General Government			\$ 448,800

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets

Principal on Bonds	\$ 145,900	
Principal on Notes	48,544	
Total Highways and Streets		\$ 194,444

Education

Principal on Bonds	\$ 1,145,300	
Total Education		1,145,300

Interest on Debt

General Government

Interest on Bonds	\$ 359,578	
Total General Government		359,578

Highways and Streets

Interest on Bonds	\$ 69,606	
Interest on Notes	3,062	
Total Highways and Streets		72,668

Education

Interest on Bonds	\$ 415,455	
Total Education		415,455

Other Debt Service

General Government

Fiscal Agent Charges	\$ 3,075	
Trustee's Commission	35,208	
Underwriter's Discount	39,077	
Other Debt Issuance Charges	77,422	
Other Debt Service	3,203,032	
Total General Government		3,357,814

Highways and Streets

Other Debt Service	\$ 937,800	
Total Highways and Streets		937,800

Education

Other Debt Service	\$ 3,573,000	
Total Education		3,573,000

Total General Debt Service Fund \$ 10,504,859

General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$ 1,734	
Building Improvements	230,695	
Total General Administration Projects		\$ 232,429

(Continued)

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Health and Welfare Projects</u>			
Building Construction	\$	93,091	
Total Public Health and Welfare Projects			\$ 93,091
Total General Capital Projects Fund			\$ 325,520
<u>Community Development/Industrial Park Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Other Supplies and Materials	\$	490	
Total Other Charges			\$ 490
Total Community Development/Industrial Park Fund			490
<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Trustee's Commission	\$	646	
Other Debt Issuance Charges		379	
Highway Equipment		299,001	
Total Highway and Street Capital Projects			\$ 300,026
Total Highway Capital Projects Fund			300,026
Total Governmental Funds - Primary Government			<u>\$ 22,152,810</u>

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	6,418,724	
Career Ladder Program		68,550	
Homebound Teachers		4,797	
Educational Assistants		222,809	
Other Salaries and Wages		242,755	
Certified Substitute Teachers		44,415	
Non-certified Substitute Teachers		96,741	
Social Security		398,444	
Pensions		603,084	
Medical Insurance		610,112	
Dental Insurance		9,146	
Disability Insurance		23,431	
Unemployment Compensation		10,061	
Employer Medicare		94,364	
Maintenance and Repair Services - Equipment		1,350	
Other Contracted Services		37,762	
Instructional Supplies and Materials		43,765	
Textbooks - Bound		5,209	
Other Supplies and Materials		33,027	
Other Charges		53,810	
Regular Instruction Equipment		144,875	
Total Regular Instruction Program			\$ 9,167,231

Alternative Instruction Program

Teachers	\$	73,496	
Social Security		4,240	
Pensions		6,644	
Medical Insurance		3,757	
Unemployment Compensation		80	
Employer Medicare		992	
Other Supplies and Materials		200	
Total Alternative Instruction Program			89,409

Special Education Program

Teachers	\$	783,307	
Homebound Teachers		6,199	
Educational Assistants		66,790	
Speech Pathologist		45,965	
Certified Substitute Teachers		7,853	
Non-certified Substitute Teachers		15,158	
Social Security		53,664	
Pensions		81,668	
Medical Insurance		57,479	
Dental Insurance		1,406	
Unemployment Compensation		1,432	
Employer Medicare		12,554	

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Contracted Services	\$	89,481	
Instructional Supplies and Materials		14,435	
Total Special Education Program			\$ 1,237,391

Career and Technical Education Program

Teachers	\$	327,516	
Certified Substitute Teachers		9,656	
Non-certified Substitute Teachers		3,760	
Social Security		18,609	
Pensions		30,091	
Medical Insurance		33,921	
Dental Insurance		4	
Disability Insurance		1,100	
Unemployment Compensation		554	
Employer Medicare		4,352	
Instructional Supplies and Materials		11,216	
Other Supplies and Materials		2,051	
Vocational Instruction Equipment		8,510	
Total Career and Technical Education Program			451,340

Support Services

Attendance

Supervisor/Director	\$	29,081	
Social Security		1,537	
Pensions		2,929	
Medical Insurance		3,471	
Unemployment Compensation		24	
Employer Medicare		360	
Travel		480	
Total Attendance			37,882

Health Services

Supervisor/Director	\$	52,330	
Medical Personnel		40,846	
Other Salaries and Wages		111,778	
Social Security		11,344	
Pensions		15,910	
Medical Insurance		12,584	
Dental Insurance		258	
Disability Insurance		972	
Unemployment Compensation		619	
Employer Medicare		2,582	
Postal Charges		70	
Travel		7,050	
Other Contracted Services		16,063	
Drugs and Medical Supplies		3,600	

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Supplies and Materials	\$	14,775	
Health Equipment		26,995	
Total Health Services			\$ 317,776

Other Student Support

Guidance Personnel	\$	308,322	
Social Workers		14,678	
Other Salaries and Wages		62,067	
Social Security		21,997	
Pensions		33,968	
Life Insurance		40	
Medical Insurance		27,338	
Dental Insurance		550	
Disability Insurance		343	
Unemployment Compensation		432	
Employer Medicare		5,144	
Evaluation and Testing		6,162	
Postal Charges		1,000	
Travel		17,184	
Other Contracted Services		424	
Food Preparation Supplies		1,823	
Other Supplies and Materials		24,593	
Total Other Student Support			526,065

Regular Instruction Program

Supervisor/Director	\$	75,019	
Librarians		335,069	
Social Security		22,984	
Pensions		37,030	
Medical Insurance		28,300	
Dental Insurance		1,147	
Disability Insurance		1,189	
Unemployment Compensation		437	
Employer Medicare		5,376	
Travel		1,942	
Library Books/Media		22,188	
In Service/Staff Development		700	
Other Charges		66	
Total Regular Instruction Program			531,447

Special Education Program

Supervisor/Director	\$	75,019	
Psychological Personnel		59,885	
Assessment Personnel		70,389	
Other Salaries and Wages		3,000	
Social Security		12,520	

(Continued)

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Pensions	\$	16,123	
Medical Insurance		5,445	
Dental Insurance		889	
Unemployment Compensation		216	
Employer Medicare		2,928	
Other Contracted Services		4,374	
Other Supplies and Materials		5,432	
Total Special Education Program			\$ 256,220

Career and Technical Education Program

Supervisor/Director	\$	71,167	
Other Salaries and Wages		20,631	
Social Security		5,484	
Pensions		7,688	
Medical Insurance		253	
Dental Insurance		550	
Unemployment Compensation		100	
Employer Medicare		1,283	
Travel		1,984	
Other Charges		1,560	
Total Career and Technical Education Program			110,700

Technology

Supervisor/Director	\$	59,786	
Social Security		3,335	
Pensions		5,414	
Medical Insurance		5,347	
Unemployment Compensation		46	
Employer Medicare		780	
Travel		55	
Other Charges		9,006	
Other Equipment		124,971	
Total Technology			208,740

Other Programs

On-behalf Payments to OPEB	\$	91,020	
Total Other Programs			91,020

Board of Education

Board and Committee Members Fees	\$	8,400	
Social Security		461	
Unemployment Compensation		50	
Employer Medicare		108	
Audit Services		19,000	
Dues and Memberships		9,150	
Legal Services		971	

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Travel	\$	230	
Trustee's Commission		76,511	
Workers' Compensation Insurance		84,271	
In Service/Staff Development		310	
Other Charges		14,538	
Total Board of Education			\$ 214,000

Director of Schools

County Official/Administrative Officer	\$	99,441	
Secretary(ies)		22,054	
Social Security		6,783	
Pensions		10,243	
Medical Insurance		10,221	
Unemployment Compensation		110	
Employer Medicare		1,586	
Communication		7,057	
Dues and Memberships		1,789	
Maintenance and Repair Services - Equipment		811	
Postal Charges		2,225	
Travel		1,985	
Other Contracted Services		2,065	
Other Supplies and Materials		1,036	
Total Director of Schools			167,406

Office of the Principal

Principals	\$	458,710	
Secretary(ies)		128,955	
Social Security		33,330	
Pensions		49,067	
Medical Insurance		38,388	
Dental Insurance		1,511	
Disability Insurance		1,723	
Unemployment Compensation		925	
Employer Medicare		7,795	
Communication		11,157	
Total Office of the Principal			731,561

Fiscal Services

Accountants/Bookkeepers	\$	41,942	
Social Security		2,572	
Pensions		2,555	
Unemployment Compensation		54	
Employer Medicare		601	
Data Processing Services		13,502	
Data Processing Supplies		2,227	
Office Supplies		162	
Administration Equipment		4,527	
Total Fiscal Services			68,142

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	307,801	
Other Salaries and Wages		1,134	
Social Security		17,258	
Pensions		16,526	
Medical Insurance		32,416	
Dental Insurance		1,502	
Disability Insurance		2,089	
Unemployment Compensation		1,145	
Employer Medicare		4,055	
Other Contracted Services		87,156	
Custodial Supplies		50,698	
Electricity		582,868	
Natural Gas		103,097	
Water and Sewer		85,995	
Building and Contents Insurance		144,693	
Total Operation of Plant			\$ 1,438,433

Maintenance of Plant

Maintenance Personnel	\$	124,459	
Social Security		6,963	
Pensions		7,582	
Medical Insurance		9,942	
Dental Insurance		384	
Disability Insurance		973	
Unemployment Compensation		204	
Employer Medicare		1,628	
Maintenance and Repair Services - Buildings		111,463	
Maintenance and Repair Services - Equipment		21,562	
Maintenance and Repair Services - Vehicles		79	
Other Contracted Services		16,493	
Other Supplies and Materials		1,936	
Other Charges		11,816	
Total Maintenance of Plant			315,484

Transportation

Supervisor/Director	\$	34,970	
Mechanic(s)		100,108	
Bus Drivers		396,276	
Other Salaries and Wages		6,502	
Social Security		31,069	
Pensions		31,915	
Life Insurance		750	
Medical Insurance		27,732	
Dental Insurance		2,983	
Disability Insurance		6,384	
Unemployment Compensation		1,833	

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Employer Medicare	\$	7,266	
Licenses		318	
Maintenance and Repair Services - Vehicles		3,140	
Medical and Dental Services		3,415	
Travel		424	
Other Contracted Services		12,436	
Diesel Fuel		111,528	
Garage Supplies		1,842	
Gasoline		13,685	
Lubricants		4,523	
Tires and Tubes		15,103	
Vehicle Parts		54,574	
Other Supplies and Materials		182	
In Service/Staff Development		332	
Other Charges		18,515	
Transportation Equipment		220,983	
Total Transportation			\$ 1,108,788

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	16,000	
Teachers		51,425	
Educational Assistants		16,000	
Other Salaries and Wages		25,000	
Social Security		6,299	
Pensions		9,190	
Medical Insurance		1,539	
Unemployment Compensation		128	
Employer Medicare		1,482	
Travel		312	
Instructional Supplies and Materials		2,549	
In Service/Staff Development		987	
Total Community Services			130,911

Early Childhood Education

Supervisor/Director	\$	34,652	
Teachers		411,855	
Clerical Personnel		3,110	
Educational Assistants		251,529	
Other Salaries and Wages		75,623	
Certified Substitute Teachers		4,059	
Non-certified Substitute Teachers		8,500	
Social Security		45,176	
Pensions		67,900	
Medical Insurance		42,500	
Unemployment Compensation		1,880	

(Continued)

Exhibit K-8

Wayne County, Tennessee
 Schedule of Detailed Expenditures -
 All Governmental Fund Types
 Discretely Presented Wayne County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Employer Medicare	\$	10,571	
Other Fringe Benefits		6,845	
Travel		1,346	
Instructional Supplies and Materials		110,428	
In Service/Staff Development		12,324	
Other Charges		13,248	
Total Early Childhood Education			\$ 1,101,546

Capital Outlay

Regular Capital Outlay

Land	\$	18,090	
Total Regular Capital Outlay			18,090

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	200,000	
Total Education			200,000

Total General Purpose School Fund \$ 18,519,582

School Federal Projects Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	2,243	
Teachers		485,319	
Educational Assistants		24,282	
Other Salaries and Wages		8,949	
Certified Substitute Teachers		695	
Non-certified Substitute Teachers		2,430	
Social Security		30,257	
Pensions		45,983	
Life Insurance		1,017	
Medical Insurance		26,728	
Dental Insurance		839	
Unemployment Compensation		698	
Employer Medicare		7,076	
Instructional Supplies and Materials		35,129	
Other Charges		567	
Regular Instruction Equipment		48,818	
Total Regular Instruction Program			\$ 721,030

Special Education Program

Teachers	\$	38,548	
Educational Assistants		239,771	
Certified Substitute Teachers		77	
Non-certified Substitute Teachers		2,112	

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	14,928	
Pensions		17,455	
Life Insurance		2,703	
Medical Insurance		29,564	
Dental Insurance		1,118	
Unemployment Compensation		1,039	
Employer Medicare		3,491	
Maintenance and Repair Services - Equipment		435	
Instructional Supplies and Materials		5,187	
Textbooks - Bound		196	
Other Supplies and Materials		4,614	
Special Education Equipment		4,581	
Total Special Education Program			\$ 365,819

Career and Technical Education Program

Vocational Instruction Equipment	\$	21,826	
Total Career and Technical Education Program			21,826

Support Services

Other Student Support

Bus Drivers	\$	764	
Other Salaries and Wages		6,632	
Social Security		454	
Pensions		517	
Unemployment Compensation		8	
Employer Medicare		107	
Travel		5,888	
Other Supplies and Materials		337	
In Service/Staff Development		7,114	
Other Charges		4,888	
Total Other Student Support			26,709

Regular Instruction Program

Supervisor/Director	\$	35,065	
Secretary(ies)		21,226	
Other Salaries and Wages		102,871	
Social Security		9,618	
Pensions		13,717	
Life Insurance		143	
Medical Insurance		3,757	
Unemployment Compensation		190	
Employer Medicare		2,249	
Travel		323	
Food Supplies		3,918	
In Service/Staff Development		23,886	
Total Regular Instruction Program			216,963

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Assessment Personnel	\$	61,341	
Secretary(ies)		13,016	
Social Security		4,544	
Pensions		5,912	
Life Insurance		800	
Dental Insurance		277	
Unemployment Compensation		135	
Employer Medicare		1,063	
Communication		995	
Postal Charges		558	
Travel		4,937	
Other Contracted Services		69,445	
Other Supplies and Materials		14,001	
In Service/Staff Development		10,434	
Total Special Education Program			\$ 187,458

Career and Technical Education Program

Travel	\$	591	
In Service/Staff Development		1,602	
Total Career and Technical Education Program			2,193

Transportation

Bus Drivers	\$	21,204	
Social Security		1,310	
Pensions		1,049	
Dental Insurance		97	
Unemployment Compensation		61	
Employer Medicare		306	
Contracts with Parents		2,809	
Vehicle Parts		4,748	
Total Transportation			31,584

Total School Federal Projects Fund \$ 1,573,582

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	42,602	
Cafeteria Personnel		352,012	
Other Salaries and Wages		2,758	
Social Security		26,711	
Pensions		30,473	
Life Insurance		70	
Medical Insurance		8,033	
Dental Insurance		778	
Disability Insurance		9,362	

(Continued)

Exhibit K-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Unemployment Compensation	\$	1,836	
Employer Medicare		5,330	
Communication		3,357	
Maintenance and Repair Services - Equipment		6,818	
Travel		1,702	
Other Contracted Services		9,442	
Food Preparation Supplies		63,649	
Food Supplies		562,805	
Office Supplies		2,431	
USDA - Commodities		116,950	
Other Supplies and Materials		2,443	
Trustee's Commission		1	
Other Charges		3,123	
Food Service Equipment		16,828	
Total Food Service			\$ 1,269,514

Total Central Cafeteria Fund \$ 1,269,514

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Administration Equipment	\$	26,796	
Building Improvements		188,332	
Plant Operation Equipment		39,898	
Other Capital Outlay		246,161	
Total Education Capital Projects			\$ 501,187

Total Education Capital Projects Fund 501,187

Total Governmental Funds - Wayne County School Department \$ 21,863,865

Exhibit K-9

Wayne County, Tennessee
Statement of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2017

	Primary Government Business-type Activities Enterprise Fund Public Utility Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Water Sales	\$ 102,319
Water Tap Sales	8,219
Total Charges for Current Services	<u>\$ 110,538</u>
Total Operating Revenues	<u>\$ 110,538</u>
<u>Nonoperating Revenues</u>	
Hotel/Motel Tax	\$ 21,757
Contribution and Gifts	17,230
State Revenue Sharing - TVA	75,000
Grants	381,831
Total Nonoperating Revenues	<u>\$ 495,818</u>
Total Revenues	<u>\$ 606,356</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Other Economic and Community Development</u>	
Secretary	\$ 2,752
Social Security	171
Unemployment Compensation	22
Employer Medicare	40
Advertising	1,336
Contracts with Government Agencies	91,203
Evaluation and Testing	2,622
Licenses	1,695
Postal Charges	376
Other Contracted Services	27,423
Electricity	4,613
Office Supplies	979
Other Supplies and Materials	3,662
Trustee's Commission	959
Depreciation	210,252
Other Charges	763
Other Construction	2,250
Total Other Economic and Community Development	<u>\$ 351,118</u>
Total Operating Expenses	<u>\$ 351,118</u>
<u>Nonoperating Expenses</u>	
<u>General Government Debt Service</u>	
Interest on Bonds	\$ 44,413
Total Nonoperating Expenses	<u>\$ 44,413</u>
Total Expenses	<u>\$ 395,531</u>

Exhibit K-10

Wayne County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 481,461
Total Cash Receipts	<u>\$ 481,461</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 476,646
Trustee's Commission	4,815
Total Cash Disbursements	<u>\$ 481,461</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash, July 1, 2016	<u>0</u>
 Cash, June 30, 2017	 <u>\$ 0</u>

STATUTORY SECTION

This part of Wayne County's annual financial report presents detailed information required by state statute for the Wayne County Rural Water Board. This information is presented solely for the purposes of statutory compliance and additional analysis and is not a required part of the financial statements. This information is unaudited. It has not been subjected to any auditing procedures.

	Table(s)	Page(s)
Demographic and Economic Information:		
These schedules offer water rates and water loss reports required by state statute to help the reader understand how well the utility is performing.	1-5	187-195

Sources: Wayne County Rural Water Board Management.

Table 1

Wayne County, Tennessee
Schedule of Utility Rates
Proprietary Fund
For the Year Ended June 30, 2017

Utility Rates in Effect for PWSID 0934 (Hwy 69)

First 2,000 gallons	\$	17.00 minimum
Over 2,001 to 5,000 gallons		5.50 per 1,000 gallons
Over 5,001 to 10,000 gallons		4.50 per 1,000 gallons
All over 10,001 gallons		3.50 per 1,000 gallons
Number of Customers		41

Utility Rates in Effect for PWSID 8275 (Hwy 13 N. and Natural Bridge Rd.)

First 2,000 gallons	\$	28.40 minimum
Over 2,001 to 5,000 gallons		6.50 per 1,000 gallons
Over 5,001 to 10,000 gallons		5.50 per 1,000 gallons
All over 10,001 gallons		4.50 per 1,000 gallons
Number of Customers		48

Utility Rates in Effect for PWSID 8276 (Beech Creek and Hwy 64 W.)

First 2,000 gallons	\$	28.16 minimum
Over 2,001 to 5,000 gallons		9.80 per 1,000 gallons
Over 5,001 to 10,000 gallons		8.40 per 1,000 gallons
Over 10,001 to 20,000 gallons		6.40 per 1,000 gallons
Over 20,001 to 100,000 gallons		6.00 per 1,000 gallons
All over 100,001 gallons		5.00 per 1,000 gallons
Number of Customers		55

Utility Rates in Effect for PWSID 8282 (Hwy 13 S. and Eagle Truss)

First 2,000 gallons	\$	28.16 minimum
Over 2,001 to 5,000 gallons		9.80 per 1,000 gallons
Over 5,001 to 10,000 gallons		8.40 per 1,000 gallons
Over 10,001 to 20,000 gallons		6.40 per 1,000 gallons
Over 20,001 to 100,000 gallons		6.00 per 1,000 gallons
All over 100,001 gallons		5.00 per 1,000 gallons
Number of Customers		136

Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 0934
Proprietary Fund
For the Year Ended June 30, 2017

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association
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[Click to access definition](#)

[Click to add a comment](#)

Water Audit Report for: **Wayne County Rural Water Committee PWSID 000934 (TN 000934)**

Reporting Year: **2016-2017** / **7/2016 - 6/2017**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

----- Enter grading in column 'E' and 'J' ----->

WATER SUPPLIED

Volume from own sources:	+	?	5	0.000	MG/Yr
Water imported:	+	?	6	2.154	MG/Yr
Water exported:	+	?	1	0.000	MG/Yr
WATER SUPPLIED:				2.153	MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+	?	5	2.363	MG/Yr
Billed unmetered:	+	?	6	0.000	MG/Yr
Unbilled metered:	+	?	5	0.000	MG/Yr
Unbilled unmetered:	+	?	7	0.027	MG/Yr
AUTHORIZED CONSUMPTION:				2.390	MG/Yr

Check input values; WATER SUPPLIED should be greater than AUTHORIZED CONSUMPTION

WATER LOSSES (Water Supplied - Authorized Consumption)

-0.237 MG/Yr

Apparent Losses

Unauthorized consumption:	+	?	5	0.005	MG/Yr
Customer metering inaccuracies:	+	?	2	0.124	MG/Yr
Systematic data handling errors:	+	?	5	0.008	MG/Yr
Apparent Losses:				0.136	MG/Yr

Check input values; APPARENT LOSSES should be less than WATER LOSSES

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	?	?	?	-0.372	MG/Yr
WATER LOSSES:				-0.237	MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: -0.210 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+	?	3	4.0	miles
Number of active AND inactive service connections:	+	?	5	41	
Service connection density:	?	?	?	10	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:	+	?	1	50.0	psi
-----------------------------	---	---	---	------	-----

COST DATA

Total annual cost of operating water system:	+	?	10	\$16,840	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	7	\$7.81	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+	?	8	\$97.80	\$/Million gallons <input checked="" type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 59 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Water imported

2: Customer metering inaccuracies

3: Billed metered

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Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 0934
Proprietary Fund
For the Year Ended June 30, 2017

AWWA Free Water Audit Software:		WAS v5.0
System Attributes and Performance Indicators		American Water Works Association Copyright © 2014. All Rights Reserved.
Water Audit Report for: Wayne County Rural Water Committee PWSID 0000934 (TN 0000934)		
Reporting Year: 2016-2017 7/2016 - 6/2017		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 59 out of 100 ***		
System Attributes:		
	Apparent Losses:	0.136 MG/yr
	+ Real Losses:	(0.372) MG/yr
	= Water Losses:	(0.237) MG/yr
?	Unavoidable Annual Real Losses (UARL):	See limits in definition MG/yr
	Annual cost of Apparent Losses:	\$1,059
	Annual cost of Real Losses:	-\$2,907
		Valued at Customer Retail Unit Cost
		<small>Return to Reporting Worksheet to change this assumption</small>
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	-9.7%
	Non-revenue water as percent by cost of operating system:	-9.7% Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	Apparent Losses per service connection per day:	9.07 gallons/connection/day
	Real Losses per service connection per day:	N/A gallons/connection/day
	Real Losses per length of main per day*:	-254.97 gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	-0.37 million gallons/year
?	Infrastructure Leakage Index (ILI) [CARL/UARL]:	
<small>* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline</small>		

Wayne County, Tennessee
 Schedule of Unaccounted for Water - PWSID 8275
 Proprietary Fund
 For the Year Ended June 30, 2017

AWWA

Free Water Audit Software:
Reporting Worksheet

WAS v6.0
American Water Works Association.
Copyright © 2014, All Rights Reserved.

Water Audit Report for: Wayne county Rural Water Committee PWSID 8275 (TN)

Reporting Year: 2017 7/2016 - 6/2017

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' -----

Volume from own sources:	+ ?	<input style="width: 80%;" type="text" value="7"/>	0.000	MG/Yr
Water imported:	+ ?	<input style="width: 80%;" type="text" value="7"/>	3.313	MG/Yr
Water exported:	+ ?	<input style="width: 80%;" type="text" value="0"/>	0.000	MG/Yr

WATER SUPPLIED: 3.311 MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	+ ?	<input style="width: 80%;" type="text" value="2"/>	0.05%	MG/Yr
Value:	+ ?	<input style="width: 80%;" type="text" value="0"/>	0.05%	MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	<input style="width: 80%;" type="text" value="3"/>	3.112	MG/Yr
Billed unmetered:	+ ?	<input style="width: 80%;" type="text" value="4"/>	0.000	MG/Yr
Unbilled metered:	+ ?	<input style="width: 80%;" type="text" value="2"/>	0.000	MG/Yr
Unbilled unmetered:	+ ?	<input style="width: 80%;" type="text" value="5"/>	0.041	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: 3.153 MG/Yr

Click here: ?
for help using option buttons below

Pcnt:	+ ?	<input style="width: 80%;" type="text" value="1.25"/>	1.25%	MG/Yr
Value:	+ ?	<input style="width: 80%;" type="text" value="0"/>	1.25%	MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt:	+ ?	<input style="width: 80%;" type="text" value="0.25"/>	0.25%	MG/Yr
Value:	+ ?	<input style="width: 80%;" type="text" value="0"/>	0.25%	MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

0.158

Apparent Losses

Unauthorized consumption: ? 0.008 MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies: + ? 5 0.002 MG/Yr

Systematic data handling errors: + ? 0.008 MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 0.018 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? 0.140 MG/Yr

WATER LOSSES: 0.158 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: ? 0.199 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: + ? 8 13.0 miles

Number of active AND inactive service connections: + ? 8 48

Service connection density: ? 4 conn./mile main

Are customer meters typically located at the curbstop or property line? Select...

Average length of customer service line: + ? 4 10.0 ft (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average operating pressure: + ? 1 50.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	<input style="width: 80%;" type="text" value="6"/>	\$42,844	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	<input style="width: 80%;" type="text" value="4"/>	\$24.08	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	<input style="width: 80%;" type="text" value="5"/>	\$15,382.00	\$/Million gallons <input checked="" type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 54 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Water imported
- 2: Billed metered
- 3: Customer retail unit cost (applied to Apparent Losses)

Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 8275
Proprietary Fund
For the Year Ended June 30, 2017



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
 American Water Works Association
 Copyright © 2014. All Rights Reserved.

Water Audit Report for: Wayne county Rural Water Committee PWSID 8275 (TN)

Reporting Year: 2017 7/2016 - 6/2017

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 54 out of 100 ***

System Attributes:

Apparent Losses:	0.018	MG/Yr	
+	Real Losses:	0.140	MG/Yr
=	Water Losses:	0.158	MG/Yr
<div style="display: flex; align-items: center;"> ? Unavoidable Annual Real Losses (UARL): See limits in definition MG/Yr </div>			
Annual cost of Apparent Losses:		\$424	
Annual cost of Real Losses:		\$3,382	Valued at Customer Retail Unit Cost
Return to Reporting Worksheet to change this assumption			

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	6.0%	
		Non-revenue water as percent by cost of operating system:	11.2%	Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	1.01	gallons/connection/day
		Real Losses per service connection per day:	N/A	gallons/connection/day
		Real Losses per length of main per day*:	29.60	gallons/mile/day
		Real Losses per service connection per day per psi pressure:	N/A	gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		0.14	million gallons/year	
		<div style="display: flex; align-items: center;"> ? Infrastructure Leakage Index (LI) [CARL/UARL]: </div>		

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

Table 4

Wayne County, Tennessee
 Schedule of Unaccounted for Water - PWSID 8276
 Proprietary Fund
 For the Year Ended June 30, 2017

AWWA Free Water Audit Software:

WAS v5.0
American Water Works Association
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Reporting Worksheet

Click to access definition
Click to add a comment

Water Audit Report for: **Wayne County Rural Water Committee (TN 0008276)**

Reporting Year: **2016-2017**

7/2016 - 6/2017

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable, please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the call to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

WATER SUPPLIED

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+ ?	0.000	MG/Yr	+ ?		MG/Yr
Water imported:	+ ?	7	1.783	+ ?		MG/Yr
Water exported:	+ ?		0.000	+ ?		MG/Yr

WATER SUPPLIED: 1.783 MG/Yr

Master Meter and Supply Error Adjustments

Prcnt: Value:

+ ?		+ ?	
+ ?		+ ?	
+ ?		+ ?	

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	7	0.547	MG/Yr
Billed unmetered:	+ ?	n/a		MG/Yr
Unbilled metered:	+ ?	8	1.016	MG/Yr
Unbilled unmetered:	+ ?		0.022	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: 1.585 MG/Yr

Click here: ?
for help using option buttons below

Prcnt: Value:

1.25%		+ ?	
-------	--	-----	--

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

Apparent Losses

Unauthorized consumption:	+ ?		0.004	MG/Yr
---------------------------	-----	--	-------	-------

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+ ?	4	0.082	MG/Yr
Systematic data handling errors:	+ ?		0.001	MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 0.088 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:

WATER LOSSES: 0.198 MG/Yr

Prcnt: Value:

0.25%		+ ?	
5.00%		+ ?	
0.25%		+ ?	

NON-REVENUE WATER

NON-REVENUE WATER: 1.236 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	8	5.2	miles
Number of active AND inactive service connections:	+ ?	8	55	
Service connection density:	+ ?		11	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: ? Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: 3 60.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	10	\$59,309	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	4	\$14.80	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	8	\$4,913.60	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 64 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Water imported

2: Customer metering inaccuracies

3: Customer retail unit cost (applied to Apparent Losses)

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Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 8276
Proprietary Fund
For the Year Ended June 30, 2017



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
 American Water Works Association.
 Copyright © 2014. All Rights Reserved.

Water Audit Report for: Wayne County Rural Water Committee (TN 0008276)

Reporting Year: 2016-2017 7/2016 - 6/2017

***** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 64 out of 100 *****

System Attributes:

Apparent Losses:	0.088	MG/Yr
+ Real Losses:	0.110	MG/Yr
= Water Losses:	0.198	MG/Yr
? Unavoidable Annual Real Losses (UARL): See limits in definition MG/Yr		
Annual cost of Apparent Losses:		\$1,304
Annual cost of Real Losses:		\$1,622 Valued at Customer Retail Unit Cost
Return to Reporting Worksheet to change this assumption		

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	69.3%	
		Non-revenue water as percent by cost of operating system:	30.8%	Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	4.39	gallons/connection/day
		Real Losses per service connection per day:	N/A	gallons/connection/day
		Real Losses per length of main per day*:	57.76	gallons/mile/day
		Real Losses per service connection per day per psi pressure:	N/A	gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		0.11	million gallons/year	
		? Infrastructure Leakage Index (ILI) [CARL/UARL]:		

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

Table 5

Wayne County, Tennessee
 Schedule of Unaccounted for Water - PWSID 8282
 Proprietary Fund
 For the Year Ended June 30, 2017

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
 American Water Works Association
 Copyright © 2014, All Rights Reserved.

Water Audit Report for: **Wayne County Rural Water Committee (TN 0008282)**
 Reporting Year: **2016-2017** 7/2016 - 6/2017

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: **MILLION GALLONS (US) PER YEAR**

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

----- Enter grading in column 'E' and 'U' ----->

WATER SUPPLIED

Volume from own sources: <input type="text" value="0.000"/> MG/Yr Water imported: <input type="text" value="4.313"/> MG/Yr Water exported: <input type="text" value="0.000"/> MG/Yr	Master Meter and Supply Error Adjustments Pcnt: <input type="text" value="0.00"/> Value: <input type="text" value="0.00"/> MG/Yr Pcnt: <input type="text" value="0.00"/> Value: <input type="text" value="0.00"/> MG/Yr Pcnt: <input type="text" value="0.00"/> Value: <input type="text" value="0.00"/> MG/Yr Enter negative % or value for under-registration Enter positive % or value for over-registration
---	--

WATER SUPPLIED: MG/Yr

AUTHORIZED CONSUMPTION

Billed metered: <input type="text" value="4.185"/> MG/Yr Billed unmetered: <input type="text" value="0.000"/> MG/Yr Unbilled metered: <input type="text" value="0.000"/> MG/Yr Unbilled unmetered: <input type="text" value="0.054"/> MG/Yr	Click here: <input type="text" value="1.25%"/> for help using option buttons below Pcnt: <input type="text" value="1.25%"/> Value: <input type="text" value="0.00"/> MG/Yr Use buttons to select percentage of water supplied OR value Pcnt: <input type="text" value="0.25%"/> Value: <input type="text" value="0.00"/> MG/Yr Pcnt: <input type="text" value="0.25%"/> Value: <input type="text" value="0.00"/> MG/Yr Pcnt: <input type="text" value="0.25%"/> Value: <input type="text" value="0.00"/> MG/Yr
--	---

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) MG/Yr

Apparent Losses

Unauthorized consumption: <input type="text" value="0.011"/> MG/Yr Customer metering inaccuracies: <input type="text" value="0.010"/> MG/Yr Systematic data handling errors: <input type="text" value="0.010"/> MG/Yr	Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed
---	---

Apparent Losses: MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: MG/Yr

WATER LOSSES: MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: <input type="text" value="11.3"/> miles Number of active AND inactive service connections: <input type="text" value="138"/> Service connection density: <input type="text" value="12"/> conn./mile main	
--	--

Are customer meters typically located at the curbstop or property line? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: psi

COST DATA

Total annual cost of operating water system: <input type="text" value="\$239,796"/> \$/Year Customer retail unit cost (applied to Apparent Losses): <input type="text" value="\$37.65"/> \$/1000 gallons (US) Variable production cost (applied to Real Losses): <input type="text" value="\$376.50"/> \$/Million gallons	<input checked="" type="checkbox"/> Use Customer Retail Unit Cost to value real losses
---	--

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 48 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Water imported
- 2: Customer metering inaccuracies
- 3: Billed metered

Wayne County, Tennessee
 Schedule of Unaccounted for Water - PWSID 8282
 Proprietary Fund
 For the Year Ended June 30, 2017

AWWA Free Water Audit Software:		WAS v5.0
System Attributes and Performance Indicators		American Water Works Association Copyright © 2014. All Rights Reserved.
Water Audit Report for: Wayne County Rural Water Committee (TN 008282)		
Reporting Year: 2016-2017 7/2016 - 6/2017		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 48 out of 100 ***		
System Attributes:		
	Apparent Losses:	<input type="text" value="0.032"/> MG/Yr
	+ Real Losses:	<input type="text" value="0.042"/> MG/Yr
	= Water Losses:	<input type="text" value="0.074"/> MG/Yr
<input type="checkbox"/>	Unavoidable Annual Real Losses (UARL):	<input type="text" value="See limits in definition"/> MG/Yr
	Annual cost of Apparent Losses:	<input type="text" value="\$1,195"/>
	Annual cost of Real Losses:	<input type="text" value="\$1,581"/> Valued at Customer Retail Unit Cost
		<small>Return to Reporting Worksheet to change this assumption</small>
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="3.0%"/>
	Non-revenue water as percent by cost of operating system:	<input type="text" value="2.0%"/> Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	Apparent Losses per service connection per day:	<input type="text" value="0.63"/> gallons/connection/day
	Real Losses per service connection per day:	<input type="text" value="N/A"/> gallons/connection/day
	Real Losses per length of main per day*:	<input type="text" value="10.18"/> gallons/mile/day
	Real Losses per service connection per day per psi pressure:	<input type="text" value="N/A"/> gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="0.04"/> million gallons/year
<input type="checkbox"/>	Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text"/>
<small>* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline</small>		

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Wayne County Executive and
Board of County Commissioners
Wayne County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Wayne County's basic financial statements, and have issued our report thereon dated February 27, 2018. Our report on the business-type activities and the Public Utility Fund (major Enterprise Fund) expresses an adverse opinion because financial statements of the Public Utility Fund, the county's only enterprise fund, did not include financial information of one of the four utility systems maintained by Wayne County, as required by accounting principles generally accepted in the United State of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayne County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and

corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2017-001, 2017-002, and 2017-005.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2017-004, 2017-008, and 2017-009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-006, and 2017-007.

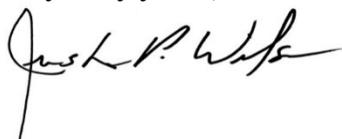
Wayne County's Responses to the Findings

Wayne County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Wayne County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 27, 2018

JPW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Wayne County Executive and
Board of County Commissioners
Wayne County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Wayne County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Wayne County's major federal programs for the year ended June 30, 2017. Wayne County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wayne County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wayne County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wayne County's compliance.

Opinion on Each Major Federal Program

In our opinion, Wayne County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Wayne County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wayne County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wayne County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

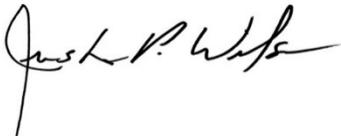
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Wayne County's basic financial statements. We issued our report thereon dated February 27, 2018. Our report on the business-type activities and the Public Utility Fund (major Enterprise Fund) expresses an adverse opinion because financial statements of the Public Utility Fund, the county's only enterprise fund, did not include financial information of one of the four utility systems maintained by Wayne County as required by accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 27, 2018

JPW/kp

Wayne County, Tennessee, and the Wayne County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2017

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Programs:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 87,843
Soil and Water Conservation	10.902	N/A	19,202
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	262,112
National School Lunch Program	10.555	N/A	582,993 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	116,950 (5)
Passed-through State Department of Human Services:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	4,282
Total U.S. Department of Agriculture			<u>\$ 1,073,382</u>
U.S. Department of Commerce/Economic Development Administration:			
Direct Program:			
Investments for Public Works and Economic Development Facilities	11.300	N/A	\$ 209,720
Total U.S. Department of Commerce/Economic Development Administration			<u>\$ 209,720</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(3)	\$ 109,268
Total U.S. Department of Housing and Urban Development			<u>\$ 109,268</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
National Priority Safety Programs	20.616	Z-17-THS426	\$ 12,298
Total U.S. Department of Transportation			<u>\$ 12,298</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 688,393
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	576,923
Special Education - Preschool Grants	84.173	N/A	15,597
Career and Technical Education - Basic Grants to States	84.048	N/A	42,011
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(3)	79,514
Rural Education	84.358	N/A	61,679
Improving Teacher Quality State Grants	84.367	N/A	113,221
Total U.S. Department of Education			<u>\$ 1,577,338</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Care and Development Block Grant	93.575	(3)	\$ 113,375
Total U.S. Department of Health and Human Services			<u>\$ 113,375</u>

(Continued)

Wayne County, Tennessee, and the Wayne County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4211-DR-TN	\$ 34,285
Homeland Security Grant Program	97.067	(3)	<u>17,350</u>
Total U.S. Department of Homeland Security			<u>\$ 51,635</u>
Total Expenditures of Federal Awards			<u>\$ 3,147,016</u>
<u>State Grants</u>		<u>Contract Number</u>	
Access to Health and Healthy Active Built Environments -			
State Department of Health	N/A	(3)	\$ 10,000
Coordinated School Health - State Department of Education	N/A	(3)	89,996
Disaster Grants - Public Assistance (Presidentially Declared Disasters) -			
State Department of Military	N/A	FEMA-4211-DR-TN	13,543
Early Childhood Education - State Department of Education	N/A	(3)	948,933
Family Resource Center Grant - State Department of Education	N/A	(3)	29,612
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(3)	9,000
Litter Program - State Department of Transportation	N/A	(3)	44,239
Lottery for Education Afterschool Program - State Department of Education	N/A	(3)	101,048
Project Diabetes Initiative Services - State Department of Education	N/A	GG-14-38555-00	75,838
Rural Local Health Services - State Department of Health	N/A	(3)	106,021
Safe Schools Act - State Department of Education	N/A	(3)	14,520
Three Star Economic Development Projects - State Department of Economic and Community Development	N/A	(3)	<u>20,000</u>
Total State Grants			<u>\$ 1,462,750</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Wayne County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$966,337; Special Education Cluster total \$592,520.
- (5) Total for CFDA No. 10.555 is \$699,943.

Wayne County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Wayne County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICE OF COUNTY EXECUTIVE</u>					
2016	201-202	2016-001	Material Audit Adjustments were Required for Proper Financial Statement Presentation	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	202-204	2016-002	Wayne County had Deficiencies Related to the Administration of a Federal Reimbursement Grant	N/A	Corrected
2016	204-205	2016-003	Deficiencies were noted in the Maintenance of Accounting Records for the Wayne County Board of Public Utilities	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	205	2016-004	Written Agreements do not Exist to Document Loans to the Wayne County Assisted Living Facility	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	206	2016-005	Competitive Bids were not Solicited for the Purchase of Jail Security Equipment	N/A	Corrected
<u>OFFICE OF COMMISSIONER OF HIGHWAYS</u>					
2016	206-207	2016-006	Material Audit Adjustments were Required for Proper Financial Statement Presentation	N/A	Not Corrected - See Explanation on Corrective Action Plan

OFFICE OF ASSESSOR OF PROPERTY

2016	207	2016-007	The Assessor did not Properly Maintain Exemption Applications	N/A	Corrected
2016	207-208	2016-008	The Office had Deficiencies Concerning Rollback Assessments	N/A	Corrected
2016	208-209	2016-009	The Assessor did not Prorate Improvements or New Construction	N/A	Corrected
2016	209	2016-010	The Assessor did not Adequately Maintain Assessment Maps	N/A	Corrected
2016	209-210	2016-011	The Assessor did not Adequately Perform Visual Inspections	N/A	Corrected

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND CLERK AND MASTER

2016	210-211	2016-012	Multiple Employees Operated from the Same Cash Drawer	N/A	Not Corrected - See Explanation on Corrective Action Plan
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OFFICES OF COUNTY EXECUTIVE; PUBLIC LIBRARY; TRUSTEE; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER OF DEEDS

2016	211-212	2016-013	Offices of County Executive and Trustee - Duties Were Not Segregated Adequately	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	211-212	2016-013	Offices of Public Library; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register of Deeds - Duties were not Segregated Adequately	N/A	Corrected

Prior-year Federal Awards Findings

2016	213-215	2016-014	Wayne County had Deficiencies Related to the Administration of a Federal Reimbursement Grant	11.300	Corrected
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WAYNE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the business-type activities and the Public Utilities Fund (major Enterprise Fund) is adverse. Our report on the governmental activities, aggregate discretely presented component units, each remaining major fund, and the aggregate remaining fund information is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? YES
 - * Significant deficiency identified? YES
3. Noncompliance material to the financial statements noted? YES

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? NO
 - * Significant deficiency identified? NONE REPORTED
5. Type of report auditor issued on compliance for major programs. UNMODIFIED
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? NO
7. Identification of Major Federal Programs:
 - * CFDA Number: 11.300 Investments for Public Works and Economic Development Facilities
 - * CFDA Number: 84.010 Title I Grants to Local Educational Agencies
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. \$750,000
9. Auditee qualified as low-risk auditee? NO

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for findings are paraphrased and presented following the applicable finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY EXECUTIVE

FINDING 2017-001

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION (Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2017, certain general ledger account balances in the General and Public Utility funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to increase receivables and deferred revenues by \$171,852 and \$63,330, respectively, in the General Fund, and to increase payables by \$145,947 in the Public Utility Fund. Generally accepted accounting principles require Wayne County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Wayne County should have appropriate processes in place to ensure its general ledgers are materially correct.

FINDING 2017-002

**WAYNE COUNTY HAS A MATERIAL RECURRING
AUDIT FINDING**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Wayne County has a material audit finding that has been reported in its annual financial report for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
2015-001, 2016-001, 2017-001	Material audit adjustments were required for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Wayne County appointed an Audit Committee on April 21, 2014, to address financial and other reporting practices, internal control, compliance with laws and regulation, and ethics.

RECOMMENDATION

Wayne County should work with its Audit Committee to correct the above-noted weakness in internal control.

FINDING 2017-003

**THE PUBLIC UTILITY FUND HAD OPERATING
DEFICIENCIES**

(Material Noncompliance Under *Government Auditing Standards*)

Our audit noted deficiencies in the maintenance of the Public Utility Fund’s accounting records. The following compliance deficiencies are the result of a lack of management oversight and the failure of management to correct the deficiencies noted in the prior-year audit report.

- A. Wayne County allowed the City of Clifton, Tennessee, to maintain all accounting information related to one of the public utility’s four permitted water systems. Accounting records relating to the operation of this water system were not made available for audit, and the results of such operations are not included in the financial statements of Wayne County’s Public Utility Fund. As a result of this omission, the Public Utility Fund’s financial statements in this report are not presented in accordance with generally accepted accounting principles; thus, we have issued an adverse opinion on the business-type activities’ opinion unit.
- B. Wayne County allocated revenues (\$113,987) to the Public Utility Fund, unrelated to the utility’s operations, to provide cash flow for operating

expenses. Section 7-34-115, *Tennessee Code Annotated*, requires water systems to "...be operated on sound business principles as self-sufficient entities."

RECOMMENDATION

Wayne County should present business-type activity financial statements and note disclosures in conformity with generally accepted accounting principles. The Public Utility Fund should adjust its charges accordingly to enable the fund to be self-sufficient.

FINDING 2017-004

WRITTEN AGREEMENTS DO NOT EXIST TO DOCUMENT LOANS TO THE WAYNE COUNTY ASSISTED LIVING FACILITY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Wayne County paid payroll and related expenses on behalf of the Wayne County Assisted Living Facility (WCALF), a discretely presented component unit of Wayne County. Wayne County and the WCALF did not enter into formal written agreements signed by both parties specifying the terms and conditions of repayment, if any, for these payments. The beginning receivable at July 1, 2016, was \$237,242; however, during the current year, Wayne County paid expenses for the WCALF totaling \$312,241 less reimbursements of \$192,716, resulting in a total receivable of \$356,767 at June 30, 2017. This deficiency resulted from a lack of oversight by management, management's failure to correct the finding noted in prior-year audit reports, and management's failure to implement their corrective action plan.

RECOMMENDATION

All loans made from county funds should be evidenced by a formal written contract that defines the terms and conditions of the loan.

OFFICE OF COMMISSIONER OF HIGHWAYS

FINDING 2017-005

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2017, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to increase payables by \$125,897. Generally accepted accounting principles require the Highway Department to have adequate internal controls over the maintenance of its accounting

records. Material audit adjustments were required because the department’s financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management’s failure to correct the finding noted in the prior-year audit report, and management’s failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Management should have appropriate processes in place to ensure its general ledgers are materially correct.

FINDING 2017-006

EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in one of six major appropriation categories (the legal level of control) in the Highway/Public Works Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Other Charges	\$ 42,390

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

OFFICE OF TRUSTEE

FINDING 2017-007

REVENUES WERE NOT PRORATED ACCURATELY
(Noncompliance Under *Government Auditing Standards*)

During the fiscal year, the trustee did not accurately prorate some revenues according to allocations in the budget resolution approved by the County Commission. Auditors noted the following deficiencies in revenue allocations:

- A. Wheel tax collected by the county clerk was incorrectly prorated during the year. The budget resolution approved by the County Commission allocated the wheel tax to the General, Highway/Public Works, and General Debt Service funds; however, the trustee failed to prorate this revenue to the General Debt Service Fund in June 2017. This error resulted in a \$37,512 understatement of revenue in the General Debt Service Fund and an overstatement of revenues in the General and Highway/Public Works funds.

- B. State shared revenues of \$212,274 were received by the Trustee’s Office in April 2017. These revenues were allocated to the General Fund in the budget resolution; however, the trustee improperly prorated the revenue among the various tax rate funds as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 73,520
Solid Waste/Sanitation	28,993
General Purpose School	70,413
General Debt Service	36,242
General Capital Projects	<u>3,106</u>
Total	<u>\$ 212,274</u>

We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

The trustee should accurately prorate revenues according to allocations in the budget resolution approved by the County Commission.

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND CLERK AND MASTER

FINDING 2017-008

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

All employees operated from the same cash drawer in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk and Clerk and Master. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets and management's failure to correct the deficiency noted in the prior-year audit report. Also, this deficiency is the result of the clerk and master's failure to implement her corrective action plan.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

This office only has two full time employees and two part time employees. Our office is not set up for the public to come to each one of our desks, we have to go to the window to wait on the public. One cash drawer is our answer.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with this finding. The Clerk and Master's Office has two employees: the clerk and master and a deputy clerk and master. In the future, we will have one employee receipt all money and we will start each day with a fixed amount of cash and verify that employee's receipts at the end of each day. This will begin immediately. This finding has not been corrected previously because it is almost impossible to implement in a two person office.

OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

FINDING 2017-009

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of County Executive and Trustee. Employees responsible for maintaining the accounting records in the offices were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.

Wayne County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
<u>OFFICE OF COUNTY EXECUTIVE</u>		
2017-001	Material Audit Adjustments were Required for Proper Financial Statement Presentation	216
2017-002	Wayne County has a Material Recurring Audit Finding	216
2017-003	The Public Utility Fund had Operating Deficiencies	217
2017-004	Written Agreements do not Exist to Document Loans to the Wayne County Assisted Living Facility	217
2017-009	Duties were not Segregated Adequately	218
<u>OFFICE OF COMMISSIONER OF HIGHWAYS</u>		
2017-005	Material Audit Adjustments were Required for Proper Financial Statement Presentation	219
2017-006	Expenditures Exceeded Appropriations	220
<u>OFFICE OF TRUSTEE</u>		
2017-007	Revenues were not Prorated Accurately	221
2017-009	Duties were not Segregated Adequately	221
<u>OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK</u>		
2017-008	Multiple Employees Operated from the Same Cash Drawer	223
<u>OFFICE OF CLERK AND MASTER</u>		
2017-008	Multiple Employees Operated from the Same Cash Drawer	224

Wayne County Courthouse

Jaime T. Mangubat, County Executive

Post Office Box 848

Waynesboro, Tennessee 38485

Corrective Action Plan

FINDING: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:

Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:

Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:

June 30, 2018

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Efforts were made to correct this finding; however, additional material receivables and payables were discovered during the audit process.

Planned Corrective Action:

As part of the fiscal year end closing process, the bookkeeper will review revenues and expenditures subsequent to June 30, 2018, for possible receivables and payables. The bookkeeper will record all receivables, payables, and deferred revenues material to the individual funds into the accounting system.

FINDING: WAYNE COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

Response and Corrective Action Plan Prepared by:

Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:

Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Planned Corrective Action:
Accounting personnel will review the general ledger account balances in each fund, on a monthly basis, to ensure all accounts are materially correct.

FINDING: THE PUBLIC UTILITY FUND HAD OPERATING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:
Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:
June 30, 2018

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The City of Clifton was unable to provide accounting information related to Wayne County's customers until July 2017. Also, nonoperating revenues were necessary to provide cash flow for the operations of the Public Utility while officials evaluate customer water rates.

Planned Corrective Action:
Using the reports furnished by the City of Clifton, Wayne County will record the operations related to the county owned water lines to ensure the Utility's accounting records are complete. The Wayne County Rural Water Board will evaluate customer water rates to determine the need for necessary rate increases to cover operation expenses.

FINDING: WRITTEN AGREEMENT DO NOT EXIST TO DOCUMENT LOANS TO THE WAYNE COUNTY ASSISTED LIVING FACILITY

Response and Corrective Action Plan Prepared by:
Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:

Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:

June 30, 2018

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

A contract was written and approved by the county commission; however, the contract was not signed by the officials in either organization.

Planned Corrective Action:

Before year-end, the county attorney will prepare a contract to document the terms and conditions of all outstanding loans between the county and the Assisted Living. Once approved by the County Commission, the contract will be signed by the County Executive and the appropriate management of the Assisted Living.

FINDING:

DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:

Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:

June 30, 2018

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Part-time help was acquired to assist with the billing and collections responsibilities of the Public Utility; however, a full-time position could not be provided.

Planned Corrective Action:

We will utilize the segregation of duties checklist on the Division of Local Government Audit's website as a guide for how to adequately segregate duties in small offices.

Signature: _____



WAYNE COUNTY HIGHWAY DEPARTMENT
P.O. BOX 472
WAYNESBORO, TN 38485

CHUCK MOSER
HIGHWAY COMMISSIONER

OFFICE: (931)722-5556
FAX: (931)722-7812

Corrective Action Plan

**FINDING: MATERIAL AUDIT ADJUSTMENTS
WERE REQUIRED FOR PROPER
FINANCIAL STATEMENT
PRESENTATION**

Response and Corrective Action Plan Prepared by:
Chuck Moser, Commissioner of Highways

Person Responsible for Implementing the Corrective Action:
Chuck Moser, Commissioner of Highways

Anticipated Completion Date of corrective Action:
June 30, 2018

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Efforts were made to correct this finding; however, an additional material payable was discovered during the audit process.

Planned Corrective Action:
The Office Personnel and the Commissioner of Highways will review the general ledger accounts as compared to the operations report at year end to determine that all material liabilities have been recorded.

**FINDING: EXPENDITURES EXCEEDED
APPROPRIATIONS**

Response and Corrective Action Plan Prepared by:

Chuck Moser, Commissioner of Highways

Person Responsible for Implementing the Corrective Action:

Chuck Moser, Commissioner of Highways

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Planned Corrective Action:

The office personnel and the Commissioner of Highways will review the expenditure budget-to-actual report monthly for the Highway/Public Works Fund to determine if operations are tracking in line with appropriations, and any budget amendments deemed necessary will be submitted to the county commission.

Signature 

Janice Smith
Wayne County Trustee
P.O. Box 338
Waynesboro, TN 38485
Phone: 931-722-3269

Corrective Action Plan

FINDING: REVENUES WERE NOT PRORATED ACCURATELY

Response and Corrective Action Plan Prepared by:
Janice Smith, Trustee

Person Responsible for Implementing the Corrective Action:
Janice Smith, Trustee

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Planned Corrective Action:
I will review month end reports to ensure all revenues were prorated accurately.

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:
Janice Smith, Trustee

Person Responsible for Implementing the Corrective Action:
Janice Smith, Trustee

Anticipated Completion Date of Corrective Action:
June 30, 2018

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
I did not have the resources to correct this finding.

Planned Corrective Action:

I will segregate the duties in my office to the best of my ability.

Signature:

Janice Smith

Wayne County Circuit court
P.O. Box 869
Waynesboro, Tn. 38485
931-722-5519

Corrective Action Plan

FINDING: MULTIPLE EMPLOYEES WORK FROM THE SAME CASH
DRAWER

Response and Corrective Action Plan Prepared by
Bill Crews Circuit Court Clerk

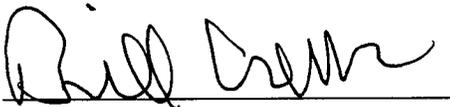
Person Responsible for Implementing the Corrective Action:
Bill Crews Circuit Court Clerk

Anticipated Completion Date of Corrective Action:
Unknown

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
This office only has two full time employees and 2 part time employees. Our
office is not set up for the public to come to each one of our desks, we have to go to
the window to wait on the public. Therefore one drawer is the answer.

Planned Corrective Action:
To keep this office running as effective and safely as I can.

Signature: 

Wayne County Chancery Court

WAYNE COUNTY CRIMINAL JUSTICE CENTER

JUDGE DAVID L. ALLEN
Division I
JUDGE J. RUSSELL PARKES
Division II
JUDGE ROBERT L. JONES
Division III
JUDGE STELLA L. HARGROVE
Division IV

CAROLYN MATHIS, CLERK AND MASTER
P.O. BOX 101
TELEPHONE (931) 722-5517
FAX (931) 722-5758

JANET K. STAGGS
Deputy Clerk & Master
CIRCUIT & CHANCERY COURT
22nd. Judicial District

WAYNESBORO, TENNESSEE 38485

Corrective Action Plan

FINDING: MULTIPLE EMPLOYEES WORK FROM THE SAME CASH DRAWER

Response and Corrective Action Plan Prepared by:
Carolyn Mathis, Clerk and Master

Person Responsible for Implementing the Corrective Action:
Carolyn Mathis, Clerk & Master

Anticipated Completion Date of Corrective Action:
Unknown

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:

As I have stated previously, there is only one other full time clerk in this office. This lady has worked in this office since 1984. This office has never had funds that were not in balance.

Planned Corrective Action:

This office will segregate duties as much as possible.

Signature:



2-7-2018

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Wayne County.

WAYNE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Wayne County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Wayne County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.